

Corporate governance

Governance framework

Our governance framework is anchored on competent leadership, effective internal controls, a strong risk culture and accountability to stakeholders. Our Board plays a key role in setting our governance standards to meet our stakeholders' expectations, and our leadership model ensures an appropriate balance of power, accountability and independence in decision-making across our various functional and geographic units.

Our corporate governance practices comply with the Banking (Corporate Governance) Regulations 2005 (Banking CG Regulations). We also comply, in all material aspects, with the following corporate governance best practice guidelines issued by the Monetary Authority of Singapore (MAS):

- i) the Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers issued on 3 April 2013, which comprises:
 - the Code of Corporate Governance 2012 (2012 Code); and
 - supplementary guidelines and policies added by the MAS to cater to the diverse and complex risks undertaken by financial institutions (Supplementary Guidelines).
- ii) the Code of Corporate Governance 2018 issued on 6 August 2018 (2018 Code).

We have described our corporate governance practices for our financial year ended 31 December 2020 with specific reference to the 2018 Code and the Supplementary Guidelines. A summary disclosure of our compliance with the express disclosure requirements in the 2018 Code and the Supplementary Guidelines, have been provided on pages 102 to 104.

Board highlights – 2020

Navigating the challenges arising from Covid-19 pandemic

As the Covid-19 pandemic unfolded in the course of 2020 with unprecedented uncertainty across all key locations of the Group, the Board spent a significant amount of time reviewing and discussing with management:

- i) the impact of Covid-19 on our business operations (including the actions taken to safeguard the health and safety of our employees, fortify our balance sheet, ensure business continuity, and support our communities);

- ii) the business and credit costs outlook in 2020 and 2021;
- iii) the risks arising from the changes necessitated by Covid-19 (such as increased cyber security risk arising from the significant increase of staff having to work from home); and
- iv) strategies to prepare for the new normal post-Covid-19 and to look for business opportunities that may come out of this crisis.

The Board also provided valuable insights and advice on managing the Covid-19 crisis without losing focus on our long-term strategies (such as making the necessary investments for the future).

Voluntary reductions in Directors' fees

In a show of solidarity with the nation and our stakeholders during the Covid-19 pandemic, all the Non-Executive Directors who are currently in office have volunteered to take a 10% reduction in their basic retainer fees of SGD 100,000 for the financial year ended 31 December 2020 (FY2020).

On top of the 10% reduction in his basic retainer fees, the Board Chairman has also volunteered to take an additional 10% reduction (amounting to SGD 145,000) in his Board Chairman's fees for FY2020. With these reductions, the total fees payable to the Board Chairman for FY2020 will be approximately 10.4% (or SGD 204,000) lower compared to the financial year ended 31 December 2019 (FY2019).

Accordingly, shareholders' approval will be sought for the payment of a reduced amount of SGD 4,101,074 as Directors' fees for the Non-Executive Directors for FY2020. The Directors' fees for FY2020 are approximately 13% lower than the Directors' fees for FY2019 (SGD 4,719,707) after factoring in the aforesaid voluntary 10% reductions, as well as lower attendance fees from the holding of various Board and Board committee meetings via video-conference in 2020 due to Covid-19 restrictions.

Please refer to pages 46 to 47 for details of remuneration of each Non-Executive Director (including the Board Chairman) for FY2020.

Pursuing inorganic acquisitions and new business initiatives

In addition to its focus on navigating the challenges arising from the Covid-19 pandemic, the Board deliberated extensively on various inorganic acquisitions and new business initiatives to seek alternative sources of revenue in view of the low-for-long interest rate environment, including:

- i) the acquisition of Lakshmi Vilas Bank (LVB) in India, which complements our digibank strategy with an expanded network of branches and ATMs, an additional two million retail and 125,000 non-retail customers, as well as a strengthened deposit franchise; and

- ii) the establishment of the DBS Digital Exchange, which leverages blockchain technology to provide an ecosystem for fund raising through asset tokenization and secondary trading of digital assets, including cryptocurrencies. The DBS Digital Exchange will allow institutional investors and accredited investors to tap into a fully integrated tokenization, trading and custody ecosystem for digital assets.

The Board was also given an update on the Singapore digital banking landscape and deliberated on our strategic responses to the competition from digital banks.

Two new Independent Directors appointed in 2020

During the year, we appointed two new Directors (Ms Punita Lal and Mr Anthony Lim). In addition, two long-serving Directors (Mr Danny Teoh and Mr Nihal Kaviratne) stepped down after having served on the Board for nine years or more.

Mr Anthony Lim is a seasoned financial markets veteran with expertise in market risk and trading. He joined GIC Pte Ltd (GIC) as its president of the London office in 1998 and was appointed in 2009 as its president (Americas) based in New York. Prior to joining GIC, he held various management and trading positions in the global markets' division of the Bankers Trust Company in Singapore and London. Ms Punita Lal has over 30 years of experience in strategy, marketing and leadership in the consumer-packaged goods industry, and her prior experience includes working for Coca Cola in China and PepsiCo in India. Her last held executive role was MD & CEO for NourishCo, a strategic joint venture between Tata Global Beverages and PepsiCo, from 2010 to 2012.

Both Mr Lim and Ms Lal were appointed as Directors of DBS Group Holdings Ltd (DBSH) and DBS Bank Ltd (DBS Bank) with effect from 1 April 2020. Mr Lim serves on the Board Executive Committee (EXCO) and Board Risk Management Committee (BRMC) while Ms Lal serves on the Compensation and Management Development Committee (CMDC) and Nominating Committee (NC).

Board Renewal

Board renewal is a key focus for us. In 2020, the NC continued the search for potential candidates who could be lined up for appointment as Directors of DBSH and DBS Bank over the next few years. New Directors will be introduced gradually so that the Board and Board committees have a smooth transition period.

Diversity is one of the key considerations in the board renewal process to ensure that the Board is appropriately balanced to support the long-term success of DBS. Other key considerations include (i) whether the skillsets of the candidates would replace skillsets of long-serving Directors, and/or would supplement the collective skillsets of

the Directors and bring different perspectives to the Board; (ii) whether the candidate would fit in with our Board's culture and diversity; (iii) the independence status of the candidate; and (iv) whether the candidate would be able to commit sufficient time to fulfil the duties of a Director. A skills matrix is used to assess if the skills and experience of a candidate complement those of the existing Board members. Potential candidates are informed of the level of contribution and commitment expected of a DBS Director.

As part of the Board renewal process:

- Ms Euleen Goh, Mr Andre Sekulic and Mrs Ow Foong Pheng will be stepping down from the Board at the conclusion of our forthcoming Annual General Meeting (2021

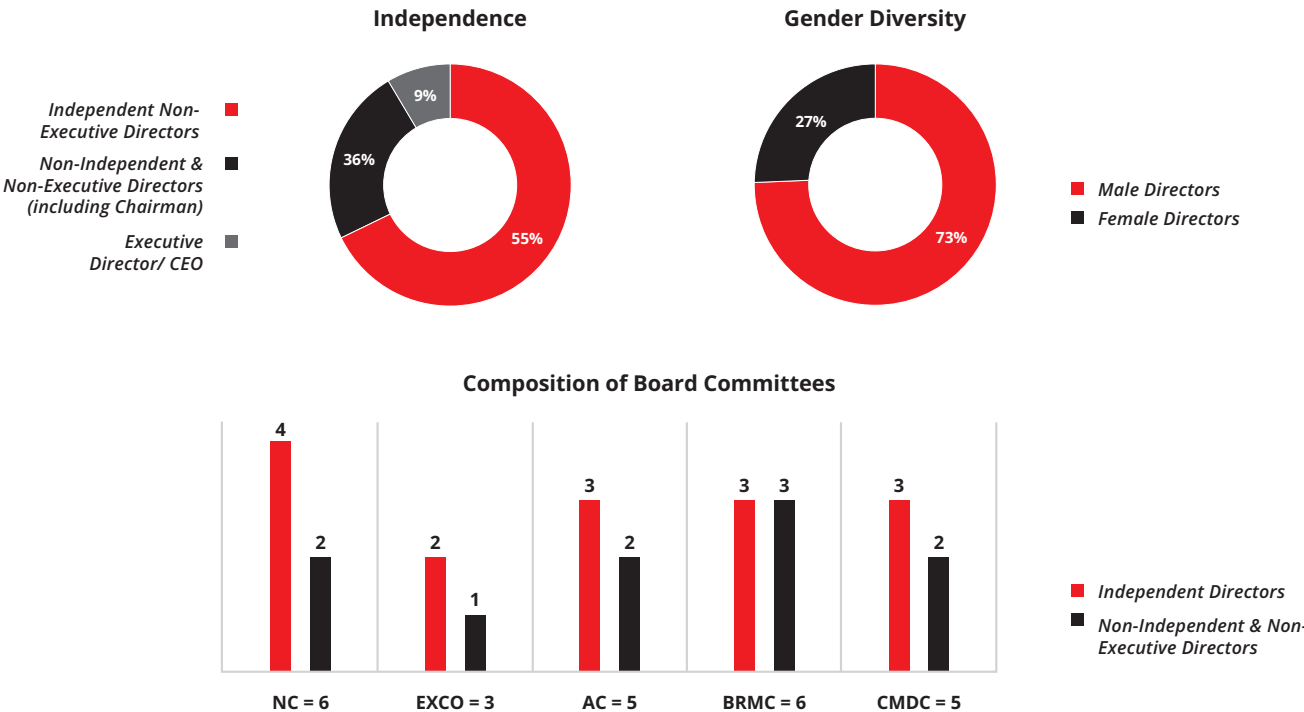
AGM), having served on the Board for nine years or more. The Board and Management of DBS would like to express their gratitude to Ms Goh, Mr Sekulic and Mrs Ow for their invaluable contributions to the DBS Group over the years. Ms Goh has also served as the chairperson on the Board of DBS Foundation since it was established in 2014. Although she is retiring as a Director of DBSH and DBS Bank, she has graciously agreed to remain as the chairperson of DBS Foundation.

- The Board has also approved the appointment of a non-executive non-independent director and we are in the process of obtaining regulatory approval for this appointment.
- The NC has been actively looking for new independent directors to serve on the

Board and expects to appoint at least one new independent director in 2021.

In view of the impending retirement of Ms Goh, Mr Sekulic and Mrs Ow, the Board (upon the recommendation of the NC) have made the following changes to the compositions of the Audit Committee (AC), the BRMC and CMDC, which will take effect on 31 March 2021:

- Mr Olivier Lim will be appointed as the Chairman of the BRMC;
- Mr Anthony Lim will be appointed as the Chairman of the CMDC; and
- Ms Punita Lal will be appointed as a member of the AC.



Competent leadership

Our board

The Board directs DBS in the conduct of its affairs and provides sound leadership to management. We have 11 Board members (including three female directors) with a broad range of experience and deep industry expertise. The make-up of our Board reflects diversity of gender, nationality, age, skills and knowledge. A majority of the Directors are Independent Directors, and there are no alternate Directors on our Board.

Our Chairman, Mr Peter Seah, sits on all Board committees and he also chairs the Board Executive Committee (EXCO). Mr Seah performs a key role as an ambassador for DBS in our dealings with various stakeholders as well as in ensuring effective communication with our shareholders. He guides the Board through its decision-making process and ensures that the Board operates effectively as a team.

There is a very positive and constructive working relationship between our Chairman and CEO, Mr Piyush Gupta. Mr Gupta oversees the execution of DBS' strategy and is responsible for managing the day-to-day operations. Other than the CEO, none of the other Directors is a former or current employee of DBSH or its subsidiaries.

Lead independent director

As Mr Ho Tian Yee was re-designated as a non-independent Director with effect from 29 April 2020 (having served as a Director for more than nine years by then), the Board appointed Mr Olivier Lim to take over from Mr Ho as the Lead Independent Director with effect from 29 April 2020.

Each of Mr Ho Tian Yee and Mr Olivier Lim had regular private sessions with the other independent Directors in the course of the year and provided feedback to the Chairman where necessary.

Key responsibilities of the Board

- Sets the strategic direction and long-term goals of DBS, and ensures that adequate resources are available to meet these objectives.
- Monitors the responsibilities delegated to the Board committees to ensure proper and effective oversight and control of DBS' activities.
- Establishes a framework for risks to be assessed and managed.
- Reviews management performance.
- Determines DBS' values and standards (including ethical standards) and ensures that obligations to its stakeholders are understood and met.
- Ensures that corporate responsibility and ethical standards underpin the conduct of DBS' business.
- Develops succession plans for the Board and CEO.
- Considers sustainability issues (including environmental and social factors) as part of DBS' strategy.

Key Information on our Directors

The table below sets out key information on our Directors, the number of meetings which our Directors attended during 2020 as well as the remuneration for each Director for FY2020 (which has taken into account the voluntary 10% reductions referred to on page 44). The remuneration of Non-Executive Directors (including the Chairman) does not include any variable component. Please refer to pages 55 to 56 for more details on the Non-Executive Directors' fee structure for FY2020.

Director Independence status	Meetings attendance record (1 January to 31 December 2020)								Total Directors' remuneration for FY2020 (SGD)		
	BOD ⁽¹⁾	NC ⁽²⁾	EXCO ⁽³⁾	AC ⁽⁴⁾	BRMC ⁽⁵⁾	CMDC ⁽⁶⁾	AGM	Offsite ⁽⁷⁾	Directors' fees ^(a) (SGD)	Share-based remuneration ^(b) (SGD)	Others ^(c) (SGD)
	No. of meetings held in 2020										
	6	5	14	4	5	4	1	1			
Mr Peter Seah, 74 Non-Executive and Non-Independent Chairman • Chairman since 1 May 10 • Board member since 16 Nov 09 • Last re-elected on 30 Apr 20	6	5	14	4	5	4	1	1	Total: \$1,769,111		
									\$1,205,400	\$516,600	\$47,111
Dr Bonghan Cho, 56 Non-Executive and Independent Director • Board member since 26 Apr 18 • Last re-elected on 25 Apr 19	6	5	-	4	-	3 ^(e)	1	1	Total: \$224,298		
									\$157,009	\$67,289	-
Ms Euleen Goh, 65 Non-Executive and Non-Independent Director • Board member since 1 Dec 08 • Last re-elected on 25 Apr 19	6	-	-	-	5	4	1	1	Total: \$266,939 ^(d)		
									\$262,000	-	\$4,939
Mr Ho Tian Yee, 68 Non-Executive and Non-Independent Director • Board member since 29 Apr 11 • Last re-elected on 30 Apr 20 • Stepped down as Lead Independent Director on 29 Apr 20	6	2 ^(f)	4 ^(f)	-	5	-	1	1	Total: \$262,524		
									\$183,767	\$78,757	-
Mr Nihal Kaviratne, 76 • Stepped down as a Non-Executive and Independent Director on 31 March 2020	2 ^(g)	-	-	-	1 ^(g)	1 ^(g)	-	-	Total: \$54,483 ^(g)		
									\$54,483	-	-
Mr Olivier Lim, 56 Non-Executive and Lead Independent Director • Board member since 7 Nov 17 • Last re-elected on 30 Apr 20 • Lead Independent Director since 29 Apr 20	5	4 ^(h)	14	-	5	1 ^(h)	1	1	Total: \$346,948		
									\$242,864	\$104,084	-
Mr Andre Sekulic, 70 Non-Executive and Independent Director • Board member since 26 Apr 12 • Last re-elected on 25 Apr 18	6	-	-	4	-	4	1	1	Total: \$236,000 ^(d)		
									\$236,000	-	-
Mr Danny Teoh, 65 • Stepped down as a Non-Executive and Non-Independent Director on 31 March 2020	2 ⁽ⁱ⁾	-	-	-	1 ⁽ⁱ⁾	-	-	-	Total: \$52,281 ⁽ⁱ⁾		
									\$52,281	-	-

Director Independence status	Meetings attendance record (1 January to 31 December 2020)								Total Directors' remuneration for FY2020 (SGD)		
	BOD ⁽¹⁾	NC ⁽²⁾	EXCO ⁽³⁾	AC ⁽⁴⁾	BRMC ⁽⁵⁾	CMDC ⁽⁶⁾	AGM	Offsite ⁽⁷⁾	Directors' fees ^(a) (SGD)	Share-based remuneration ^(b) (SGD)	Others ^(c) (SGD)
	No. of meetings held in 2020										
	6	5	14	4	5	4	1	1			
Mrs Ow Foong Pheng, 57 Non-Executive and Non-Independent Director • Board member since 26 Apr 12 • Last re-elected on 30 Apr 20	6	5	-	4	-	-	1	1	Total: \$227,500 ⁽ⁱ⁾		
									\$227,500	-	-
Mr Tham Sai Choy, 61 Non-Executive and Independent Director • Board member since 3 Sept 18 • Last re-elected on 25 Apr 19	6	5 ^(k)	-	4	5	-	1	1	Total: \$325,623		
									\$227,936	\$97,687	-
Ms Punita Lal, 58 Non-Executive and Independent Director • Board member since 1 Apr 20	4	4	-	-	-	3	1	1	Total: \$144,066		
									\$100,846	\$43,220	-
Mr Anthony Lim, 62 Non-Executive and Independent Director • Board member since 1 Apr 20	4	-	11	-	4	-	1	1	Total: \$191,301		
									\$133,911	\$57,390	-
Mr Piyush Gupta, 61 Executive Director/ CEO • Board member since 9 Nov 09 • Last re-elected on 25 Apr 18	6	5 [#]	14 [#]	4 [#]	5 [#]	4 [#]	1	1	Please refer to the Remuneration Report on page 65 for details on the CEO's compensation		

- **Appointment Dates**
- # **Mr Gupta attended these meetings at the invitation of the respective committees.**

- (1) **Board of Directors (BOD)**
- (2) **Nominating Committee (NC)**
- (3) **Board Executive Committee (EXCO)**
- (4) **Audit Committee (AC)**
- (5) **Board Risk Management Committee (BRMC)**
- (6) **Compensation and Management Development Committee (CMDC)**
- (7) **This is our annual 2-day board strategy offsite**
- (a) **Fees payable in cash, in 2021, for being a Director in 2020. This is 70% of each Director's total remuneration and is subject to shareholders' approval at the 2021 AGM.**
- (b) **This is 30% of each Director's total remuneration and shall be granted in the form of DBSH's ordinary shares. The actual number of DBSH's ordinary shares to be awarded will be rounded down to the nearest share, and any residual balance will be paid in cash. This is subject to shareholders' approval at the 2021 AGM.**
- (c) **Represents non-cash component and comprises (i) for Mr Peter Seah: car and driver, and (ii) for Ms Euleen Goh: season carpark fees.**
- (d) **As Ms Goh and Mr Sekulic will retire from the Board at the conclusion of the 2021 AGM, their Directors' remuneration for the year 2020 will be paid fully in cash.**
- (e) **Dr Cho was appointed as member of CMDC on 1 April 2020.**
- (f) **Mr Ho stepped down as chairman of NC and member of EXCO on 29 April 2020.**
- (g) **Mr Kaviratne, who stepped down as Director and member of BRMC and CMDC on 31 March 2020 will receive all of his Director's remuneration in cash.**
- (h) **Mr Olivier Lim was appointed as member of NC on 6 April 2020 and stepped down as member of CMDC on 1 April 2020.**
- (i) **Mr Teoh, who stepped down as Director and member of BRMC on 31 March 2020 will receive all of his Director's remuneration in cash.**
- (j) **Director's remuneration payable to Mrs Ow Foong Pheng will be paid fully in cash to a government agency, the Directorship and Consultancy Appointments Council. Mrs Ow will step down from the Board at the conclusion of the 2021 AGM.**
- (k) **Mr Tham was appointed as chairman of NC on 29 April 2020.**

(Note: Directors are also paid attendance fees for Board and Board committee meetings, as well as for attending the AGM and the annual Board offsite.)

Board meetings and activities

There are five scheduled Board meetings each year. Ad-hoc meetings are also held when necessary. There was one ad-hoc Board meeting held in 2020. Please refer to the

Board highlights – 2020 section on pages 44 to 45 for more information on the key focus areas of the Board in 2020.

Before each Board meeting, the Chairman oversees the setting of the agenda of Board

meetings, in consultation with the CEO, to ensure that there is sufficient information and time to address all agenda items. The agenda also allows for flexibility when needed. Directors are provided with complete

information related to agenda items in a timely manner. All materials for Board and Board committee meetings are uploaded onto a secure portal which can be accessed on tablet devices provided to the Directors.

During every quarterly Board meeting:

- the Chairperson of each Board committee provides an update on significant matters discussed at the Board committee meetings which are typically scheduled before the quarterly Board meeting;
- the CFO presents the financial performance for that quarter and significant financial highlights;
- the CEO gives an update on certain aspects of the Group's business and operations and/ or a macro perspective on industry trends and developments;
- the Board holds a private session for Directors; and
- the Lead Independent Director holds a private session with the other independent directors.

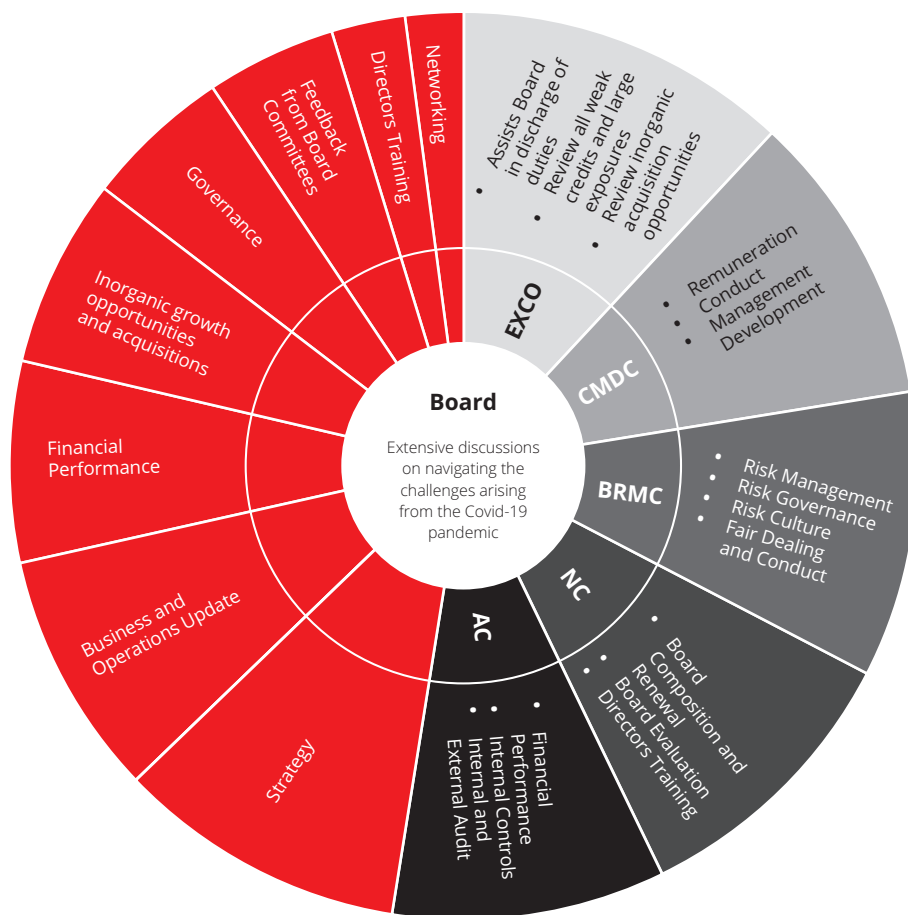
In addition to the quarterly Board meetings, a Board meeting is typically scheduled in December each year where the CEO gives the Board an update on DBS' performance against the balanced scorecard for that financial year. In addition, the CEO and CFO will present the Group's budget for the next financial year to the Board for approval.

The Chairman promotes open and frank debates by all Directors at every Board meeting. If there is a conflict of interest, the Director in question will recuse himself or herself from the discussions and abstain from participating in any Board decision. When exigencies prevent a Director from attending a Board or Board committee meeting in person, that Director can participate by telephone or video-conference.

Directors have the discretion to engage external advisers. External professionals or in-house subject matter experts may also be invited to present key topics to the Board as well as updates on corporate governance, risk management, capital, tax, accounting, listing and other regulations, which may have an impact on DBS' affairs.

Directors have independent access to the Group Secretary. The Group Secretary attends all Board meetings and minutes are prepared to record key deliberations and decisions taken during the meetings. The Group Secretary facilitates communication between the Board, its committees and management, and generally assists Directors in the discharge of their duties. The Group Secretary helps with the induction of new Directors. The appointment and removal of the Group Secretary require the approval of the Board.

Matters discussed by the Board and Board Committees in 2020



Note: Further details of the activities of the Board and Board committees in 2020 can be found on pages 44, 45 and 47 to 56.

Frequent and effective engagement

Directors have ongoing interactions across various levels, functions and countries within DBS. In addition, some Directors also sit on the boards of our overseas subsidiaries; this arrangement gives the Board access to first-hand insight on the activities of these subsidiaries. The CFO provides the Board with detailed financial performance reports monthly.

Directors also have various opportunities to interact with members of the Group Management Committee (GMC) (for instance, at quarterly Board-hosted dinners and during the annual board strategy offsite). Due to Covid-19, most of these interactions in 2020 were conducted virtually.

Annual Board strategy offsite

Each year, the Board and our senior executives attend a four-day strategy offsite held in one of our markets, which allows them to:

- focus on DBS' long-term strategy apart from the regular agenda at the quarterly Board meetings;
- engage in dynamic and in-depth strategic discussions to promote deeper understanding of our business

environment and our operations, and refine our strategy; and

- engage with our stakeholders in the host country (such as regulators, media, customers including CEOs and CFOs of our corporate clients and staff in the local franchise).

However due to the Covid-19 pandemic, the 2020 Board strategy offsite was held over a two-day period in Singapore (during the first week of October). The Board had in-depth discussions with senior executives on the DBS' business model, the future of work and reshaping the way we work, as well as strategies to seek alternative revenue sources in view of the low-for-long interest rate environment.

Delegation by the Board to the Board committees

The Board has delegated authority to various Board committees to enable them to oversee certain specific responsibilities based on their terms of reference. The terms of reference of each Board committee set out the responsibilities of the Board committee, conduct of meetings including quorum, voting requirements and qualifications for Board committee membership. All our Board

Board committee members	Composition requirements	Other key requirements
Nominating Committee (NC) <ul style="list-style-type: none"> • Mr Tham Sai Choy (Chairperson) • Mr Olivier Lim (Lead independent director) • Dr Bonghan Cho • Ms Punita Lal • Mr Peter Seah • Mrs Ow Foong Pheng 	In accordance with the requirements of the Banking CG Regulations, a majority (four out of six members of the NC including the NC Chairperson) are Non-Executive and Independent Directors (INED). The lead independent director is a member of the NC.	All NC members are required to be re-appointed by the Board annually. Under the Banking CG Regulations, every NC member shall hold office until the next annual general meeting following that member's appointment, and shall be eligible for re-appointment. The appointment and re-appointment of NC members require the prior approval of MAS.
Board Executive Committee (EXCO) <ul style="list-style-type: none"> • Mr Peter Seah (Chairperson) • Mr Olivier Lim • Mr Anthony Lim 	In accordance with the requirements of the Banking CG Regulations, a majority (two out of three members of the EXCO) are INEDs.	
Audit Committee (AC) <ul style="list-style-type: none"> • Mr Tham Sai Choy (Chairperson) • Dr Bonghan Cho • Mr Andre Sekulic • Mr Peter Seah • Mrs Ow Foong Pheng 	In accordance with the requirements of the Banking CG Regulations, a majority (three out of the five members of the AC including the AC Chairperson) are INEDs.	Mr Tham possesses an accounting qualification and was formerly the managing partner and Head of Audit of KPMG, Singapore. All members of the AC are Non-Executive Directors, and have recent and relevant accounting or related financial management expertise or experience.
Board Risk Management Committee (BRMC) <ul style="list-style-type: none"> • Ms Euleen Goh (Chairperson) • Mr Olivier Lim • Mr Tham Sai Choy • Mr Anthony Lim • Mr Peter Seah • Mr Ho Tian Yee 	All BRMC members are non-executive Directors, which exceeds the requirements of the Banking CG Regulations.	All BRMC members are appropriately qualified to discharge their responsibilities, and have the relevant technical financial expertise in risk disciplines or businesses.
Compensation and Management Development Committee (CMDC) <ul style="list-style-type: none"> • Mr Andre Sekulic (Chairperson) • Dr Bonghan Cho • Ms Punita Lal • Mr Peter Seah • Ms Euleen Goh 	In accordance with the requirements of the Banking CG Regulations, a majority (three out of the five members of the CMDC including the CMDC Chairperson) are INEDs.	The CMDC has direct access to senior management and works closely with the BRMC and the AC when performing its role.

* Names denoted in red are INEDs.

committees comprise Non-Executive Directors only. Any change to the terms of reference for any Board committee requires Board approval. The minutes of Board Committee meetings, which records the key deliberations and decisions taken during these meetings, are circulated to all Board members for their information.

Nominating Committee (NC)

Key responsibilities of the NC

- Regularly reviews the composition of the Board and Board committees, and independence of Directors;
- Identifies, reviews and recommends Board appointments for approval by the Board, taking into account the experience, expertise, knowledge, age and skills of the candidate and the needs of the Board;
- Conducts an annual evaluation of the performance of the Board, the Board committees and the Directors;
- Implements the Board Diversity Policy and reviews its effectiveness;

- Exercises oversight of the induction programme and continuous development programme for Directors, and ensures that first-time directors with no prior experience as a director of a listed company in Singapore undergo relevant training;
- Reviews and recommends to the Board the re-appointment of each Director having regard to his/ her performance, commitment and ability to contribute to the Board as well as his/ her age and skillset;
- Assesses annually whether each Director has sufficient time to discharge his/ her responsibilities; and
- Reviews the Board's succession plans for Directors.

Selection criteria and nomination process for Directors

Before a new Director is appointed, suitable candidates are identified from various sources. Thereafter, the NC conducts an assessment to:

- Review the candidate (including qualifications, attributes, capabilities,

skills, age, past experience) to determine whether the candidate is fit and proper in accordance with the fit and proper guidelines issued by the MAS; and

- ascertain whether the candidate is independent from DBS's substantial shareholder and/or from management and business relationships with DBS.

The NC then interviews the short-listed candidates and makes its recommendations to the Board. All Board appointments are based on merit, taking into account the contributions the candidates can bring to the Board to enhance its effectiveness. Upon the appointment of a new Director, the NC will recommend to the Board his or her appointment to the appropriate Board committee(s) after matching the Director's skillset to the needs of each Board committee.

Induction and Training for new Directors

The NC oversees the onboarding of new Directors. All new Directors go through our induction programme, which covers the

duties and obligations of a Director and the responsibilities of and work carried out by the Board committees. We provide a Director's pack, which acts as an aide memoire for the information covered by the induction programme. We have briefing sessions for Directors given by members of senior management on the various businesses of DBS and its supporting functions. The NC is also responsible for ensuring that new Directors with no prior experience as a director of a listed company undergo training in the roles and responsibilities of a director of a listed company in Singapore.

Highlights of NC's activities in 2020

Board renewal process

Please refer to the Board highlights – 2020 section on pages 44 to 45.

Annual review of Directors' independence

The NC reviews and determines annually whether each Director is independent in accordance with the stringent standards required of financial institutions prescribed under the Banking CG Regulations. Under the Banking CG Regulations, an "independent director" is defined to mean a Director who is:

- independent from any management and business relationship with DBS;
- independent from any substantial shareholder of DBS; and
- has not served on the Board of DBS for a continuous period of nine years or longer.

The NC assessed and concluded that (i) all Directors are considered to be independent from business relationships with DBS; (ii) with the exception of Mr Piyush Gupta, all Directors are considered to be independent from management relationships with DBS; (iii) with the exception of Mrs Ow Foong Pheng, all Directors are considered to be independent from DBS's substantial shareholder, Temasek Holdings (Private) Limited (Temasek). Mrs Ow, who is the Permanent Secretary for the Ministry of National Development, Singapore, is considered not independent of Temasek as the Singapore government is its ultimate owner; and (iv) Mr Peter Seah, Ms Euleen Goh and Mr Ho Tian Yee are Non-Independent directors as they have served on the Board for more than nine years. Based on the NC's assessment, the Independent Directors are Dr Bonghan Cho, Ms Punita Lal, Mr Olivier Lim, Mr Anthony Lim, Mr Andre Sekulic and Mr Tham Sai Choy.

Although Ms Euleen Goh, Mr Ho Tian Yee, Mr Olivier Lim, Mr Anthony Lim, Mr Peter Seah and Mr Tham Sai Choy are on the boards of companies that have a banking relationship with DBS, and are also directors of companies in which Temasek has investments (Temasek portfolio companies), the NC considers

these Directors (i) independent of business relationships as the revenues arising from such relationships are not material; and (ii) independent of Temasek as their appointments on the boards of Temasek portfolio companies are non-executive in nature and they are not involved in the day-to-day conduct of the businesses of the Temasek portfolio companies.

In addition, none of these Directors sit on any of the boards of the Temasek portfolio companies as a representative of Temasek and they do not take instructions from Temasek in acting as Directors.

Board performance and evaluation

The NC makes an assessment at least once a year to determine whether the Board and Board committees are performing effectively and identify steps for improvement. The NC believes that it is important to obtain an independent perspective on the Board's performance once every three to four years, and to gain insights on the Board's performance against peer boards and best practices. An external evaluator was last engaged to conduct the Board performance evaluation for the financial year ended 2018.

In 2020, the NC considered the results and key action items from the 2019 Board evaluation and decided to use substantially the same evaluation questionnaire for 2020 for benchmarking purposes. The questionnaire included questions on Board composition, Board processes and culture, quality of information provided to the Board, succession planning, risk management and effectiveness of Board committees. Each Director was asked to complete the questionnaire and submit it directly to the Group Secretary who collated the responses and produced a summary report for the NC. The NC analysed the report and submitted its findings to the Board. The Board discussed the findings of the evaluation and agreed to follow-up on certain items.

In addition to the annual Board evaluation exercise, the NC also conducts an annual review of each Director to determine whether each Director remains qualified for office. In making its determination, the NC will take into account (i) the Director's age, track record, experience, skills and capabilities; (ii) whether each Director is able to and has been adequately carrying out his/her duties as a Director, including the contributions and performance of each Director; and (iii) whether each Director has committed sufficient time to his/her duties as a director of DBS. The Board is satisfied that each Director has diligently discharged his or her duties as a Director of DBS and has contributed meaningfully to DBS.

Directors' time commitment

The meeting attendance records of all Directors as well as a list of their directorships are fully disclosed in our Annual Report.

The NC assesses each Director's ability to commit time to DBS' affairs in accordance with internal guidelines which take into account the number of other board and committee memberships a Director holds, as well as the size and complexity of the companies in which he/she is a board member. Additionally, each Director is required to complete a self-assessment of his/her time commitments on an annual basis. While the Board has not set a maximum number of listed company board representations a Director may hold, all Directors appreciate the high level of commitment required of a Director. All Directors have met the requirements under the NC's guidelines.

Directors' tenure

The NC believes that it is in the interest of DBS for the Board to comprise of Directors with longer tenures who have a deep understanding of the banking industry, as well as Directors with shorter tenures who can bring fresh ideas and perspectives.

Although there are currently six Directors (including Mr Piyush Gupta) who have served for more than eight years, this is balanced by the progressive refreshing of the Board where five new independent Directors were appointed since November 2017. In addition, three long-serving Directors (i.e. Ms Euleen Goh, Mr Andre Sekulic and Mrs Ow Foong Pheng) will be stepping down from the Board at the conclusion of the 2021 AGM and the search for new independent Director(s) is in progress.

The NC specifically considered the skillsets and contributions of the remaining three long-serving Directors (being Mr Peter Seah, Mr Ho Tian Yee and Mr Piyush Gupta). The NC deliberated and agreed that it is in DBS' interests for these Directors to continue serving on the Board of DBS for the following reasons:

- it is important for Mr Peter Seah to continue serving as the Board Chairman to provide leadership and continuity. Mr Seah is a veteran former banker with wide industry experience, and he has been instrumental in the growth and transformation of DBS over the past 11 years. From a strategic perspective, the next few years continue to be critical as DBS continues to execute on its digital transformation and growth strategies (especially with the prevailing macro-economic and geo-political headwinds and challenging outlook for 2021 due to the Covid-19 pandemic) and enhance its franchise in the Greater Bay Area, China, India, Indonesia and Vietnam;
- it is in DBS' interests for Mr Ho Tian Yee to continue serving on the Board for another year as he is currently one of only two Directors with both banking experience

as well as expertise in market risk and trading. The other Director, Mr Anthony Lim, who also has market risk and trading experience, joined the Board on 1 April 2020 and will need more time to familiarize himself with DBS' business; and

- iii) as CEO, Mr Piyush Gupta should remain as a Director to provide the Board with insights into the business.

Re-election of Directors

Under the Constitution of DBSH, one-third of Directors who are longest-serving since their last re-election are required to retire from office and, if eligible, stand for re-election at each AGM. Based on this rotation process, each Director is required to submit himself or herself for re-election by shareholders at least once every three years. In addition, new Directors (who are appointed in between AGMs) are required under DBSH's Constitution to stand for re-election at the first AGM after their appointment. The NC reviews and recommends to the Board the rotation and re-election of Directors at the AGM.

Prior to each AGM, Group Secretariat informs the NC which Directors are required to retire at that AGM. The NC will then review the composition of the Board and decide whether to recommend to the Board the re-election of these Directors, after taking into account factors such as their attendance, participation, contribution, expertise and competing time commitments.

At the 2021 AGM, Ms Euleen Goh, Mr Piyush Gupta and Mr Andre Sekulic will be retiring by rotation, while Ms Punita Lal and Mr Anthony Lim are required to stand for re-election as this is the first AGM after their appointment. At the recommendation of the NC and as approved by the Board, Mr Piyush Gupta, Ms Punita Lal and Mr Anthony Lim will be seeking re-election as Directors at the 2021 AGM, while Ms Euleen Goh (who has served on the Board for more than 12 years) and Mr Andre Sekulic (who has served on the Board for 9 years) will be retiring at the conclusion of the 2021 AGM.

Review of composition of Board Committees

The NC regularly reviewed the size and composition of the Board committees in 2020 to ensure that all independence requirements continue to be met, and that the Board committees are of an appropriate size and comprise the appropriate balance of skills, knowledge and experience, as well as diversity of nationality, age and gender.

The following changes were made to the composition of the Board committees in 2020:

- With effect from 29 April 2020, Mr Ho Tian Yee (who had served for more than 9

years by then) stepped down from the NC and the EXCO after he was re-designated as a non-independent and non-executive Director under the Banking CG Regulations.

- Mr Tham Sai Choy took over from Mr Ho as the NC chairman with effect from 29 April 2020.
- Mr Olivier Lim was appointed as a member of the NC with effect from 6 April 2020 and stepped down as a member of the CMDC on 1 April 2020.
- Dr Bonghan Cho was appointed as a member of the CMDC with effect from 1 April 2020.
- Ms Punita Lal was appointed as a member of the CMDC and the NC with effect from 1 April 2020 and 6 April 2020 respectively.
- Mr Anthony Lim was appointed as a member of the EXCO and the BRMC with effect from 1 April 2020.

Continuous development programme for all Directors

The NC monitors the frequency and quality of the Board training sessions, which are conducted either by external professionals or by management. The NC selects topics which are relevant to the Group's activities. Board members also contribute by highlighting areas of interests and possible topics.

The topics presented to the Board in 2020 as part of the continuous development programme included: (i) an update on the digital banking landscape in Singapore; (ii) Covid & the Next Normal (presented by a global management consulting firm); (iii) lessons learnt from the Covid-19 pandemic from a business continuity management perspective; and (iv) insights by external experts on the US-China geopolitical tensions, as well as the impact on global markets resulting from low rates, pandemic and geopolitical tensions.

Board diversity

We recognise that diversity is not merely limited to gender or any other personal attributes. We adopted a Board Diversity Policy which recognises the importance of having an effective and diverse Board, and states that the NC is responsible for setting the relevant objectives to promote and achieve diversity on the Board. In discharging its duties, the NC shall give due regard to the benefits of all aspects of diversity and strive to ensure that the Board is appropriately balanced to support the long-term success of DBS.

The main objective of the Board Diversity Policy is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of DBS. The Board Diversity Policy provides that the NC shall endeavor to ensure that female candidates are included

for consideration when identifying candidates to be appointed as new directors, with the aim of having not less than 2 female directors on the Board. With the appointment of Ms Punita Lal as a new director on 1 April 2020, 3 out of 11 directors on the Board (about 27% of the Board) are female.

The NC believes that there is an appropriate balance of industry knowledge, skills, background, experience, professional qualifications, gender and nationalities on the Board, and is satisfied that the objectives of the Board Diversity Policy continue to be met.

Board Executive Committee (EXCO)

Key responsibilities of the EXCO

- Approves certain matters specifically delegated by the Board such as acquisitions and divestments up to a certain material limit, credit transactions, investments, capital expenditure and expenses that exceed the limits that can be authorised by the CEO;
- Reviews weak credit cases on a quarterly basis;
- Oversees the governance of strategic risks such as sustainability (including review of the annual Sustainability Report), technology, artificial intelligence and data (including data privacy and appropriate use of data); and
- Reviews and provides recommendations on matters that will require Board approval, including acquisitions and divestments exceeding certain material limits.

Highlights of EXCO's activities in 2020

- The EXCO assists the Board to enhance the business strategies and strengthen core competencies of DBS. The EXCO meets frequently (14 meetings in 2020) and is able to offer greater responsiveness in the decision-making process of DBS.
- In addition to its quarterly review of weak credit cases, matters discussed at the EXCO meetings in 2020 included (i) impact of Covid-19 pandemic on our 2020 financials and action plans; (ii) impact on our business arising from the US' response to Hong Kong's new national security law; (iii) capital distribution and changes to dividends in light of regulatory measures; (iv) update on DBS' business in the current climate and the taskforces which had been set up to look into the long-term consequences of the post-Covid new normal, and business opportunities that may come out of this crisis; and (v) various acquisition and investment opportunities including the amalgamation of LVB with DBS Bank India Limited.

Audit Committee (AC)

Key responsibilities of the AC

Financial reporting and disclosure matters

- Monitors the financial reporting process, significant financial reporting issues and judgements to ensure the integrity of the Group's consolidated financial statements;
- Reviews the Group's consolidated financial statements, other financial disclosures (including Basel Pillar 3 disclosures) and any announcements relating to the Group's financial performance prior to submission to the Board; and
- Provides oversight of external disclosure governance.

Internal controls

- Reviews (in parallel with the Board Risk Management Committee) the adequacy and effectiveness of internal controls, such as financial, operational, compliance and information technology controls, as well as risk management systems;
- Receives updates on significant incidents of non-compliance with laws and regulations, and reviews management's investigations of such incidents;
- Reviews and monitors remedial action plans to address significant internal control deficiencies identified by management, Group Audit, the external auditor and/ or regulators;
- Ensures that there are policies and arrangements in place by which DBS staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensures that arrangements are also in place for such concerns to be independently investigated and for appropriate follow-up action to be taken;
- Reviews the significant matters raised through the whistle-blowing channel; and
- Reviews all material related party transactions (including interested person transactions) and keeps the Board informed of such transactions, and the findings and conclusions from its review.

Internal audit

- Reviews at least annually, the independence, adequacy and effectiveness of the Group's internal audit function (Group Audit) and processes, and ensures that Group Audit is adequately resourced and set up to carry out its functions, including approving its budget;
- Reviews Group Audit's audit plans, the proposed areas of audit focus, and results of audits;
- Ensures that an internal quality assurance review (QAR) of Group Audit is conducted

annually, and that an independent QAR is conducted at least once every five years; and

- Approves the hiring, removal, resignation, evaluation and compensation of the Head of Group Audit.

External auditor

- Determines the criteria for selecting, monitoring and assessing the external auditor, and makes recommendations to the Board on the appointment, re-appointment and removal of the external auditor;
- Approves the remuneration and terms of engagement of the external auditor;
- Reviews and discusses the key audit matters (identified by the external auditor pursuant to auditing standards) with the external auditor and management, and ascertains if these matters are presented appropriately;
- Reviews the scope and results of the external audits and the independence, adequacy and objectivity of the external auditor;
- Ensures that the external auditor promptly communicates to the AC, any information regarding internal control weaknesses or deficiencies, and that significant findings and observations regarding weaknesses are promptly rectified; and
- Reviews the assistance given by management to the external auditor.

The AC has the authority to investigate any matter within its terms of reference, and has full access to and cooperation from management.

Highlights of AC's activities in 2020

Oversight of financial reporting and disclosure matters

In response to the risk-based approach to quarterly reporting that was adopted by the Singapore Exchange Regulation (SGX RegCo) from 7 February 2020, the Group transitioned to a semi-annual reporting regime that is complemented by trading updates between the half-yearly financial reports. The trading updates, which comprise the profit and loss account, key balance sheet items, financial ratios and business commentary, are intended to provide investors with continued line of sight on the Group's ongoing performance.

The AC reviewed the Group's trading updates and half-yearly financial statements, and made recommendations to the Board for approval. The AC also took into account the assurances provided by the CEO and CFO that the financial statements are properly drawn up in accordance with the provisions of the Singapore Banking Act, Singapore Companies Act and Singapore Financial Reporting

Standards (International), and that the Group's financial risk management and internal control systems are adequate and effective.

The AC members were kept updated on changes to accounting standards and significant accounting matters involving the exercise of judgement. During the course of the financial year, the AC reviewed the following areas:

- Asset quality and the adequacy of provisions in light of the Covid-19 pandemic, giving due consideration to the application of the IFRS 9 ECL requirements in light of the volatile market environment, unprecedented governmental relief measures, the impact from loan moratoriums as well as guidance provided by international regulators and the MAS;
- Management's assessment of the Group's position relative to the recommended focus areas and market disclosures from regulatory bodies, such as the SGX RegCo, to better address stakeholder concerns emanating from the Covid-19 pandemic;
- Valuation matters, including assessing the adequacy of valuation reserves and the carrying value of goodwill;
- The financial impact from the amalgamation of LVB, including the fair value of LVB's assets and liabilities, assessment of its asset quality, determination of the provisional goodwill and disclosures on this transaction;
- The proposed adoption of the USD as the functional currency of the Treasury Markets business in Singapore; and
- Management's assessment of new accounting standards, such as that arising from IBOR reform.

The AC reviewed the Group's audited consolidated financial statements for FY2020 and discussed with management and the external auditor the significant matters which involved management judgement.

Please refer to the table on page 53 for further information on these significant matters. These matters are also discussed in the independent auditor's report on pages 110 to 115.

The AC is of the view that the Group's consolidated financial statements for FY2020 are fairly presented in conformity with the relevant Singapore Financial Reporting Standards (International) (SFRS(I)) in all material aspects. The Board has been notified that the Group's external auditor, PricewaterhouseCoopers LLP (PwC), has read and considered the other information (i.e. other than the financial statements and auditor's report thereon) in the annual report, whether financial or non-financial, in accordance with the Singapore Standard of Auditing 720. For the financial year ended 31 December 2020: (i) no material inconsistencies between the other information, the financial

statements and PwC's knowledge obtained in the audit; and (ii) no material misstatements of the other information, have been reported.

Oversight of Group Audit

The AC has direct oversight of Group Audit. The AC receives reports from Group Audit at each quarterly AC meeting, which provide the AC with an update on (i) the overall control environment (based on the results of the audit reviews in the preceding quarter); (ii) the key findings from audit reviews and the remediation actions which have been, or will be, taken to address these findings; (iii) an overview of the audit issues (including re-aged and past due issues) and audit reports issued during the preceding quarter; and (iv) any changes to the audit plan for AC approval.

Please refer to pages 56 and 57 for details on Group Audit's key responsibilities and processes.

In addition to the findings from the routine audits conducted by Group Audit in 2020, the AC was also apprised of the findings from special reviews initiated by Group Audit in response to the ongoing Covid-19 pandemic. These special reviews included audits on

(i) the overall governance and compliance with Safe Management guidelines in office premises and bank branches; (ii) management of operational and technology risks (such as IT systems readiness) due to expanded Work From Home requirements; and (iii) implementation of credit relief measures by IBG and CBG across DBS' core markets. The AC was also updated on the results of the cyber red team simulation (led by Group Audit and Group Technology & Operations) conducted to assess DBS' cyber security posture across all locations and the scope of this simulation exercise covered remote working scenarios arising from the Covid-19 pandemic, large-scale ransomware, malicious code manipulation and insider threats.

The AC assessed the adequacy, effectiveness and independence of Group Audit, and is of the view that Group Audit is independent, effective and adequately resourced. Group Audit understands the risks that the Group faces and has aligned its work to review these risks.

There is at least one scheduled private session annually for the Head of Group Audit to meet

the AC. The Chair of the AC meets the Head of Group Audit regularly to discuss the audit plans, current work, key findings and other significant matters.

Reviewing performance, objectivity and independence of the external auditor

The AC has unfettered access to the external auditor. Separate sessions were held during each of the four quarterly AC meetings in 2020 for the AC to meet with the external auditor without the presence of management to discuss matters that might have to be raised privately.

The AC monitors the performance, objectivity and independence of the external auditor. For this purpose, the AC takes into account the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority (ACRA); the guidance provided in Practice Guidance 10 of the 2018 Code, as well as the principles outlined by the Basel Committee on Banking Supervision in its document "The External Audits of Banks".

The total fees due to PwC, for the financial year ended 31 December 2020 and the

AC commentary on key audit matters

Significant matters	How the AC reviewed these matters
Specific allowances for loans and advances	The AC reviewed the significant non-performing credit exposures periodically and considered management's judgments, assumptions and methodologies used in the determination of the level of specific allowances required. The AC focused, in particular, on management's assessment of the effect of Covid-19 on the economic outlook and asset quality, relief measures granted as well as guidance issued by regulators on the recognition of loss allowances in the context of Covid-19. The AC noted that major weak credits would also have been reviewed by the Board Executive Committee quarterly. The AC was apprised of PwC's assessment following its credit review, which included a sampling across performing, watch-list and non-performing portfolios to assess the appropriateness of the loan ratings and classification, the adequacy of specific allowances where applicable, and an evaluation of how the impact from Covid-19 had been taken into account. Additionally, the AC took into account the results from Group Audit's independent assessment of the Group's asset quality and credit risk management process. The AC is of the view that the specific allowances that have been set aside for non-performing credit exposures are appropriate.
General Allowances for credit losses	The AC reviewed the governance arrangements, including the matters considered by the Expected Credit Loss (ECL) Review Committee, as well as the key drivers of the quarterly movements in Stage 1 and Stage 2 ECL (General Allowances). These included the changes in portfolio asset quality, prevailing economic and geopolitical conditions, as well as post model adjustments made to reflect the unprecedented and higher uncertainty in credit outlook as a result of Covid-19. The AC took into account PwC's observations from its audit, which had included a review of selected portfolios by credit specialists, along with assessments of the Group's methodologies (including the reasonableness of certain forward-looking economic inputs), processes and controls. The AC, on the back of these reviews, considers the General Allowances to be within a reasonable range.
Goodwill	The AC reviewed the methodology and key assumptions driving the cash flow projections that are used in the determination of the value-in-use of the DBS Bank (Hong Kong) Ltd's franchise, including the macroeconomic outlook, geopolitical developments and the ramifications arising from the Covid-19 pandemic. It assessed the sensitivities of the value-in-use to reasonably possible changes in the valuation parameters. The AC also reviewed the fair value adjustments made to the assets and liabilities of Lakshmi Vilas Bank and the resultant provisional goodwill. The AC was apprised of PwC's observations from its review of management's goodwill impairment assessment, and concurs that there is no impairment as at 31 December 2020.
Valuation matters	The AC reviewed the governance arrangements, including the deliberations of the Group Valuation Committee, as well as the fair value hierarchy of financial instruments held at fair value, the quarterly movements in valuation reserves, the appropriateness of the Group's valuation methodology in light of industry developments, and the overall adequacy of valuation reserves. The AC was apprised of PwC's observations from its assessment of the Group's controls over the valuation process, as well as its conclusion, based on the result of its independent estimates, that the valuation of financial instruments held at fair value was within a reasonable range of outcomes. The AC considers the valuation process, policies and estimates as adopted and disclosed in the financial statements to be appropriate.

breakdown of the fees for audit and non-audit services, are set out in the table below. The AC reviewed the non-audit services provided by the external auditor during the financial year and the associated fees. The AC is satisfied that the independence and objectivity of the external auditor have not been impaired by the provision of those services.

Fees relating to PwC services for FY2020	SGD (million)
For audit and audit-related services	9.1
For non-audit services	1.5
Total	10.6

The AC considered the following matters in its review of the external auditor's performance and when formulating its recommendation on the re-appointment of the external auditor:

- the performance of the external auditor against industry and regulatory standards;
- the scope of the audit plan and areas of audit focus as agreed with the external auditor;
- the quality of audit services rendered, and reports and findings presented, by the external auditor during the year;
- feedback received from various functions/geographical locations, through an annual structured internal survey, on the adequacy and quality of the audit team's resources, the level of independence and scepticism exercised in carrying out its work, and its overall efficiency and effectiveness;
- the Audit Quality Indicators data of the external auditor; and
- the external auditor's self-assessment, including the confirmation of its independence to the AC.

Based on these considerations, the AC has recommended, and the Board has endorsed, the re-appointment of PwC for shareholders' approval at the 2021 AGM. The Group has complied with Rule 712 and Rule 715 of the SGX Listing Manual in relation to its external auditor.

Board Risk Management Committee (BRMC)

Key responsibilities of the BRMC

- Supports the Board and management in setting the tone from the top so as to embed and maintain appropriate risk culture;
- Guides the development of, and recommends for the Board's approval, the risk appetite for various types of risk and exercises oversight on how this is operationalised into individual risk appetite limits;
- Approves the Group's overall and specific risk governance frameworks;

- Has direct oversight of the CRO (jointly with the CEO);
- Oversees the risk assessment framework established to manage the Group's financial crime, cybersecurity, fair dealing and regulatory risks;
- Oversees an independent risk management system and adequacy of resources to identify and evaluate risks, with particular focus on new businesses and significant initiatives;
- Reviews (in parallel with the Audit Committee) the adequacy and effectiveness of the Group's internal controls framework;
- Monitors market developments, such as macro-economic and country risks, financial and operational risks, risk concentrations, and stress tests related to these developments;
- Monitors risk exposures and profile against relevant risk thresholds, and risk strategy in accordance with approved risk appetite and/or guidelines;
- Discusses risk reporting requirements and reviews the risk dashboard to keep track of major risk positions and risk developments;
- Monitors the quarterly portfolio reviews of total exposures as well as large exposures and asset quality;
- Discusses large risk events and subsequent remedial action plans;
- Approves risk models which are used for capital computation and monitors the performance of previously approved models;
- Exercises oversight of the Internal Capital Adequacy Assessment Process (ICAAP) including approval of stress scenarios and commensurate results for capital, risk-weighted assets, profit and loss and liquidity;
- Approves the Business Continuity Management attestation and Group Recovery Plan; and
- Exercises oversight of regulatory requirements relating to risk management.

Highlights of BRMC's activities in 2020

The BRMC was kept informed of major risk positions and risk developments through the risk dashboard. The BRMC monitored the global economic environment and, in particular, paid close attention to developments which could have material consequences for the key markets where we operate. The BRMC also provided guidance, where appropriate, to management. The BRMC considered vulnerabilities such as the global economic outlook, political landscape, liquidity tightening, interest rates shifts and market volatility, all of which could impact our strategy and portfolios in these markets.

In 2020, the BRMC discussed the findings and the impact arising from scenario analyses and portfolio reviews conducted on certain countries and specific sectors, including:

- the Covid-19 pandemic impact on the selected industries (e.g. oil and gas, aviation, etc.) and wholesale funding challenges;
- the effect of on-going geopolitical tensions and trade and technology protectionism; and
- China's liquidity pressure and refinancing risk.

The scenario analyses are in addition to the reviews of various regulatory and internal stress testing exercises.

The BRMC also reviewed management's assessment of the impact of US-China tensions, and the barriers to international expansion of the Chinese businesses on our portfolio and supply-chain borrowers. In addition, the BRMC discussed Hong Kong's geopolitical landscape amid the Covid-19 pandemic. It was kept informed of the utilisation of market risk limits (for both banking and trading books), the liquidity risk profile and limit utilisation (in all major currencies and legal entities), and the key operational risk profiles of the Group. The BRMC deliberated over the new businesses and significant initiatives, and the associated risk assessment and governance frameworks. The BRMC was also advised on the continued focus on global trends on anti-money laundering and countering the financing of terrorism, fair dealing and conduct risks as well as cybersecurity environment. The BRMC was updated on the various efforts made to address these risks. The BRMC approved and monitored the performance of various risk models. The BRMC received regular updates on risk appetite and economic capital utilisation, and was apprised of regulatory feedback and developments (such as approaches for risk models and capital computation) and Basel requirements. In addition, the BRMC was updated on the action plans following the internal group-wide risk and control culture survey conducted in 2019. We also conducted self-assessments of our risk and control culture against industry benchmarks.

Please refer to the section on 'Risk Management' in this Annual Report for more information on the BRMC's activities.

Compensation and Management Development Committee (CMDC)

Key responsibilities of the CMDC

- Exercises supervisory oversight of the overall principles, parameters and governance of DBS' remuneration policy and ensures the alignment of compensation with prudent risk taking to build a long-term sustainable business;
- Oversees the remuneration of senior executives and directors, including making recommendations to the Board on the remuneration of executive directors; and

- Exercises oversight on management development and succession planning of the Group and ensures that robust plans are in place to deepen core competencies and bench strength as well as strengthen leadership capabilities and talent pipeline for the continued success of the Group.

Highlights of CMDC's activities in 2020

Group remuneration policy and annual variable pay pool

Please refer to the Remuneration Report on pages 61 to 65 for details on the remuneration of the CEO and DBS' remuneration strategy.

The CMDC reviews and approves DBS' remuneration policy and the annual variable pay pool, which are also endorsed by the Board. The CMDC provides oversight of the remuneration principles of the CEO, senior executives and control functions to ensure that they are in line with the Financial Stability Board's guidelines. The CMDC also reviews cases where total remuneration exceeds a pre-defined threshold, or where a deferral mechanism is implemented as a risk control process.

We have a robust disciplinary framework linked to individual compensation. The CMDC was apprised of the impact of disciplinary actions on individuals' compensation when approving the annual variable compensation pool and noted that (i) the Group's risk management and internal control systems are adequate and effective, and (ii) the 2020 Risk & Culture score from the Kincentric My Voice survey remains stable at 88%.

With the emergence of the Covid-19 pandemic at the beginning of 2020, safeguarding the wellbeing and health of employees across our markets was our key priority. The CMDC was apprised of how we managed the Covid-19 situation for our employees, including the DBS Together Movement (which included a series of regular virtual, bankwide campaigns to bring employees across markets together) and actions taken to galvanise our employees to reimagine the future of work, workforce and workplace.

Talent Review and Succession Planning

The CMDC reviews the state of the talent and the strength of the human capital in DBS in support of its overall strategy. This includes a review of the talent bench strength, "team in the field", succession plans for CEO and GMC members, as well as development plans for our High Potentials (HIPOs).

The CMDC reviewed the succession plans of CEO and the GMC members based on a DBS proprietary "Key Success Factors" framework, which comprises four dimensions of a DBS senior leader success profile viz (i) domain knowledge, (ii) critical experiences,

Annual directors' fee structure for FY2020 (unchanged from FY2019)

Basic annual retainer fees	SGD
Board	100,000*
Lead Independent Director	75,000
Additional Chairman fees for:	
Board	1,450,000**
Audit Committee	90,000
Board Risk Management Committee	90,000
Compensation and Management Development Committee	65,000
Executive Committee	75,000
Nominating Committee	45,000
Additional committee member fees for: (Note: Board committee chairpersons do not get these fees)	
Audit Committee	60,000
Board Risk Management Committee	60,000
Compensation and Management Development Committee	35,000
Executive Committee	60,000
Nominating Committee	30,000

- * *The Non-Executive Directors who are currently in office have volunteered to take a 10% reduction in their basic retainer fees for FY2020. Subject to shareholders' approval at the 2021 AGM for the payment of Directors fees, the basic retainer fees payable to each Non-Executive Director (including the Board Chairman) will be SGD 90,000 for FY2020.*
- ** *The Board Chairman has volunteered to take an additional 10% reduction in his Board Chairman's fee for FY2020. Subject to shareholders' approval at the 2021 AGM for the payment of Directors fees, the Board Chairman's fees payable will be SGD 1,305,000 for FY2020.*

(iii) leadership competencies and (iv) leadership traits. Potential successors for GMC were evaluated against these four dimensions to assess their readiness, and development plans to address their leadership gaps were put in place to prepare them for succession.

The CMDC also reviewed the development plans for the emerging young HIPOs with potential for GMC roles.

In assessing its Talent bench strength, the bank follows a robust HIPO identification process based on the "3P framework" namely Performance, PRIDE! and Potential. The assessment of potential is based on one's ability, aspiration and engagement.

Identified HIPOs are developed through a comprehensive "triple-E development framework" which focuses on actionable development activities around education (conferences and leadership programs), exposure (mentoring, coaching and networking) and experience (new or stretched roles, cross country and cross function assignments), designed to accelerate their growth.

The commitment to HIPO development has paid off. In 2020, HIPO attrition was healthy at 4.8%, well within our target of below 10%. 49% of our HIPOs also took on enhanced or changed roles, well above our target of 30%.

Remuneration of Non-Executive Directors

Please refer to pages 46 to 47 for details of remuneration of each Non-Executive Director (including the Chairman) for FY2020.

The CMDC reviews and recommends a framework to the Board for determining the remuneration of all Non-Executive Directors. The remuneration of Non-Executive Directors, including the Chairman, has been benchmarked against global and local financial institutions. Unless otherwise determined by the Board, Non-Executive Directors receive 70% of their fees in cash and the remaining 30% in share awards.

The share awards are not subject to a vesting period, but are subject to a selling moratorium whereby each Non-Executive Director is required to hold the equivalent of one year's basic retainer fees for his or her tenure as a Director and for one year after the date he or she steps down. The fair value of share grants to the Non-Executive Directors are based on the volume-weighted average price of the ordinary shares of DBSH over the 10 trading days immediately prior to (and excluding) the date of the AGM. The actual number of ordinary shares to be awarded are rounded down to the nearest share, and any residual balance is paid in cash. Other than these share awards, the Non-Executive Directors do

not receive any other share incentives or securities under the DBSH Share Plan.

The table on page 55 sets out the proposed annual fee structure for the Non-Executive Directors for FY2020. There is no change to the annual fee structure from FY2019. Non-Executive Directors are also paid attendance fees for attending Board and Board committee meetings. Shareholders are entitled to vote on the remuneration of Non-Executive Directors at the 2021 AGM.

In a show of solidarity with the nation and our stakeholders during the Covid-19 pandemic, all the Non-Executive Directors, who are currently in office, have volunteered to take a reduction in their Directors fees for FY2020.

Please refer to the Board highlights – 2020 section on page 44 for more information on the voluntary reduction in fees.

None of the Group's employees was an immediate family member of a Director with remuneration exceeding SGD 100,000 in 2020.

Effective controls

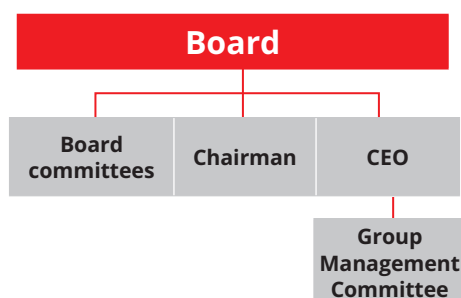
Group Approving Authority

The Group Approving Authority (GAA) is an integral part of our corporate governance framework.

The Board's responsibilities are well defined in the GAA. The Board is the decision-making body for matters with significant impact to DBS as a whole; these include matters with strategic, financial or reputational implications or consequences. The specific matters that require board approval under the GAA include:

- Group's annual and interim financial statements
- acquisitions and divestments exceeding certain material limits
- Group's annual budget
- capital expenditures and expenses exceeding certain material limits
- capital-related matters including capital adequacy objectives, capital structure, capital issuance and redemption
- dividend policy
- risk strategy and risk appetite statement

Scope of delegation of authority in the GAA



The GAA ensures that appropriate controls and decision-making are consistently applied throughout DBS. Under the GAA, the Board has delegated to the CEO the responsibility to ensure that the Group's businesses and operations are operated in accordance with Board-approved strategies and standards, which include responsibilities for the internal control framework within DBS. On matters where authority has been delegated to him, the CEO may further delegate his responsibilities and authorities to any GMC member or members and may empower them to, in turn, delegate their responsibilities and authorities to other executives and committees of the Group.

The GAA covers internal authority only and does not override any specific provisions arising from statutory, regulatory, exchange listing requirements, or the DBSH's Constitution. The GAA is regularly reviewed and updated to accommodate changes in the scope and activities of DBS' business and operations. The Board approves the GAA and any change to it.

Internal controls framework

Our internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems. The Board, supported by the AC and BRMC, oversees the Group's system of internal controls and risk management. DBS has three lines of defence when it comes to risk taking, where each line of defence has a clear responsibility.

First line of defence

Our business and support units are our first line of defence. Their responsibilities include

the identification and management of risks arising from and relating to their respective areas of responsibilities, and ensuring that our operations remain within approved boundaries of our risk appetite and policies.

DBS has an established incident notification protocol that sets out processes for the escalation of incidents according to the level of severity. In this way, appropriate levels of management are made aware of such incidents and can take action accordingly. There are also well-defined procedures for the escalation, investigation and follow up of any reported wrong-doing by a DBS employee, customer, vendor or third party.

Second line of defence

Risk Management Group, Group Legal and Compliance and parts of Group Technology & Operations and Group Finance form the second line of defence. They are responsible for the development and maintenance of risk management policies and processes and they provide objective review and challenge on the activities undertaken by business and support units.

Third line of defence

Group Audit forms the third line of defence. It provides an independent assessment and assurance on the reliability, adequacy and effectiveness of our system of internal controls, risk management, governance framework and processes.

Group Audit

Key responsibilities and processes

Group Audit is independent of the activities it audits. Its objectives, scope of authority and responsibilities are defined in the Audit Charter, which is approved by the AC. Group Audit reports functionally to the Chairperson of the AC and administratively to the CEO.

Group Audit's responsibilities include:

- evaluating the reliability, adequacy and effectiveness of the Group's system of internal controls, risk management, governance framework and processes;
- providing an objective and independent assessment of the Group's credit portfolio quality, the execution of approved credit portfolio strategies and control standards relating to credit management processes;

Board, CEO and Senior Management	Provides oversight of the three lines of defence		
	First line of defence	Second line of defence	Third line of defence
Role	Own and manage risks in respective areas of responsibility	Provide independent risk oversight, monitoring and reporting	Provide independent assurance
Unit	Business and support units	Risk Management, Legal and Compliance	Internal Audit

- reviewing whether DBS complies with laws and regulations and adheres to established policies; and
- reviewing whether management is taking appropriate steps to address control deficiencies.

Group Audit adheres to the DBS Code of Conduct and is guided by the Mission Statement in the Audit Charter. It adopted the Code of Ethics and aligned its practices with the International Professional Practices Framework established by the Institute of Internal Auditors (IIA). In addition, it has embedded IIA's 10 Core Principles for the Professional Practice of Internal Auditing into its activities.

Group Audit has unfettered access to the AC, the Board and management, as well as the right to seek information and explanation. Group Audit has an organisational and strategic alignment to the Group. The Head of Group Audit has a seat in the GMC and attends all the business reviews and strategic planning forums. The respective heads of audit in each of the five key locations outside Singapore are part of that location's management team.

Group Audit adopts a risk-based approach in its auditing activities. An annual audit plan is developed using a structured risk and control assessment framework through which the inherent risk and control effectiveness of each auditable entity in the Group are assessed. This risk assessment methodology and approach are aligned with that of Group, including the risk taxonomy.

The assessment also covers risks arising from new lines of business, new products and emerging risks from DBS' operating environment. Audit projects are planned based on the results of the assessment, with priority given to auditing higher risk areas and as required by regulators.

Audit reports containing identified issues and corrective action plans are reported to the AC and senior management. Progress of the corrective action plans is monitored, and past due action plans are included in regular reports to the senior management and the AC. In all routine audits, Group Audit evaluates the control environment and management's control awareness which incorporates risk culture as guided by the Financial Stability Board's Guidance on Sound Risk Culture.

Group Audit apprises regulators and external auditors of all relevant audit matters. It works closely with external auditors to coordinate audit efforts.

Quality assurance and key developments

In line with leading practices, Group Audit has a quality assurance and improvement programme (QAIP) that covers its audit

activity and conforms to the International Standards for the Professional Practice of Internal Auditing. As part of the QAIP, internal quality assurance reviews (QAR) are conducted quarterly and external QAR are carried out at least once every five years by qualified professionals from an external organisation. Since 2019, the internal QAR has been contracted to an independent assessor, Protiviti.

Based on Protiviti's assessment, Group Audit leads the industry in the use of Agile Auditing approach and application of digital audit tools. These tools incorporate both rule-based and predictive analytics, enabling continuous risk monitoring. Group Audit was also rated the highest level in Protiviti's capability maturity model for audit planning, agile auditing, dynamic risk assessment and data analytics.

In 2020, Group Audit embedded the Data Driven Operating Model and Agile into its auditing journey to improve the speed of risk discovery and provide audit assurance. The increased use of audit's analytical tools and data driven approach, coupled with the bank's suite of remote working technologies, enabled Group Audit to continue to conduct audit reviews under Covid-19 conditions.

Dealings in securities

Although the Group has transitioned to a semi-annual reporting regime, the trading updates that are provided for the first and third quarters of each financial year are, for the purpose of the "black-out" policies prescribed under Rule 1207(19) of the SGX Listing Rules, deemed to constitute "financial statements". Accordingly, Directors and employees are prohibited from trading in DBS' securities (i) one month before the release of the full-year financial statements; and (ii) two weeks before the release of its quarterly financial statements for the first, second and third quarters of each financial year.

In addition, business units and subsidiaries engaging in proprietary trading are restricted from trading in DBS' securities during the black-out period. Group Secretariat informs all Directors and employees of each black-out period ahead of time. Directors and employees are prohibited at all times from trading in DBS' securities if they are in possession of material non-public information.

GMC members are only allowed to trade in DBS' securities within specific window periods (15 market days immediately following the expiry of each black-out period) subject to pre-clearance. GMC members are also required to obtain pre-approval from the CEO before any sale of DBS' securities. Similarly, the CEO is required to seek pre-approval from the Chairman before any sale of DBS' securities. As part of our commitment to good governance and the principles of share

ownership by senior management, the CEO is expected to build up and hold at least the equivalent of three times his annual base salary as shareholding over time.

DBS has put in place a personal investment policy which prohibits employees with access to price-sensitive information in the course of their duties from trading in securities in which they possess such price-sensitive information. Such employees are also required to seek pre-clearance before making any personal trades in securities, and may only trade through the Group's stockbroking subsidiaries and bank channels for securities listed in Singapore and Hong Kong. The personal investment policy discourages employees from engaging in short-term speculative trading.

Related Party Transactions

DBS has embedded procedures to comply with regulations governing related party transactions, including those in the Banking Act, MAS directives and the SGX Listing Rules. The Banking Act and MAS directives impose limits on credit exposures by DBS to certain related entities and persons, while the SGX Listing Rules cover interested person transactions in general.

All new Directors are briefed on relevant provisions that affect them. If necessary, existing credit facilities to related parties are adjusted prior to a Director's appointment, and all credit facilities to related parties are continually monitored. DBS has robust procedures to manage any potential conflict of interest between a Director and DBS. Checks are conducted before DBS enters into credit or other transactions with related parties to ensure compliance with regulations.

As required under the SGX Listing Rules, the details of interested person transactions in 2020 are set out in the table on page 58. These interested person transactions are for the purpose of carrying out day-to-day operations such as leasing of premises, telecommunication/ data services, IT systems and related services, redemption of KrisFlyer miles by DBS/ POSB credit card holders, logistics, as well as security services.

Material contracts

Since the end of the previous financial year, no material contracts involving the interest of any Director or controlling shareholder of DBS has been entered into by DBS or any of its subsidiary companies, and no such contract subsisted as at 31 December 2020, save as disclosed via SGXNET.

Assessing the effectiveness of internal controls

DBS has a risk management process that requires all units to perform a half-yearly risk and control self-assessment (RCSA) to assess the effectiveness of their internal controls.

Name of interested person	Nature of Relationship	Aggregate contract value of all interested person transactions in 2020 (excluding transactions less than SGD 100,000)
CapitaLand Limited Group	Each interested person is an associate of DBSH's controlling shareholder, Temasek Holdings (Private) Limited	46,561,186
Certis CISCO Security Pte Ltd Group		2,488,952
Mapletree Investments Pte Ltd Group		1,327,600
Mediacorp Pte Ltd Group		250,001
SATS Ltd Group		944,289
Singapore Airlines Limited Group		2,946,004
Singapore Technologies Engineering Ltd Group		614,000
Singapore Technologies Telemedia Pte Ltd Group		1,868,070
Singapore Telecommunications Limited Group		45,457,283
SMRT Corporation Ltd Group		7,775,765
StarHub Ltd Group		28,024,309
Surbana Jurong Private Limited Group		48,905,796
Total Interested Person Transactions (SGD)		187,163,255

In addition, all units of the Group are required to submit quarterly attestations on their controls relating to the financial reporting process, and annual attestations on their compliance with the overall internal controls framework. Based on the RCSA and the quarterly and annual attestations, the CEO and the key management personnel responsible for risk management and internal control systems provide an annual attestation to the AC relating to the adequacy and effectiveness of DBS' risk management and internal control systems.

Group Audit performs regular independent reviews to provide assurance on the adequacy and effectiveness of DBS' internal controls on risk management, control and governance processes. The overall adequacy and effectiveness of DBS' internal controls framework is reviewed by the AC and BRMC.

Board's commentary on adequacy and effectiveness of internal controls

The Board has received assurance from the CEO and CFO that, as at 31 December

2020, the Group's financial records have been properly maintained, and the financial statements give a true and fair view of DBS Group's operations and finances.

The Board has also received assurance from the CEO and the key management personnel responsible for risk management and internal control systems that, as at 31 December 2020, the Group's risk management and internal control systems were adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations. The Board noted that efforts to integrate LVB commenced on 27 November 2020 and are ongoing.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by management and various Board Committees, as well as assurances received from management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 December 2020 to address

financial, operational, compliance risks and information technology risks which the Group considers relevant and material to its operations.

The Board notes that the internal controls and risk management systems provide reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

Strong culture

Effective safeguards

We believe that effective safeguards against undesired business conduct have to go beyond a "tick-the-box" mentality. In DBS, other than relying on published codes of conduct, we also advocate the following organisational safeguards to maintain a strong risk and governance culture.

- **Tone from the top:** The tone set by the Board and senior management is vital; it is equivalent to the moral compass of the organisation. In addition to having in place comprehensive policies, we conduct a robust self-assessment on the Group's risk culture. Please refer to the risk culture section on page 59 for more information.
- **Aligning strategies and incentives via the balanced scorecard:** Please refer to the section on "Our 2020 priorities" on pages 26 to 33 for more information.
- **Respecting the voice of control functions:** We believe that respect for the voice of control functions is a key safeguard. We ensure that control functions are well integrated into our organisational structure so that they can properly discharge their responsibilities.
- **Risk ownership:** Please refer to page 56 for details on our three lines of defence.
- **Having established escalation protocols:** We designed a notification protocol that makes it mandatory for staff to report significant incidents. This means that the organisation is prepared to receive bad news and take necessary remedial actions without shooting the messengers.
- **Encouraging constructive challenges at all levels:** Fundamentally, we inculcate a culture that encourages constructive challenges and debate, where all views are evaluated for decision-making. We also operate a culture where we actively engage the Board for their views early.
- **Reinforcing cultural alignment:** Finally, we conscientiously reinforce our cultural norms by rewarding right behaviours and censuring wrong ones.

Risk Culture

Risk Culture is closely intertwined with our corporate values and it encompasses the general awareness, attitudes and behaviour of our employees towards risks. The results of our Risk Culture and Conduct Survey conducted in 2020 indicated a satisfactory risk culture bank-wide.

In 2020, we continued to align ourselves with the industry's best practices and lessons learnt to constantly drive improvements in this area. A risk culture and conduct dashboard, comprising multi-faceted indicators, was established to provide a holistic view of our risk culture pulse. Creating awareness continued to be the key focus as we further embedded a strong culture of risk and control across all levels within the organisation. We leveraged digital communication channels to share culture-related content and implemented a training curriculum to aid managers in strengthening the "Tone from the Middle". We continue to place emphasis on conduct as part of our compensation evaluation process.

The DBS Code of Conduct (Code of Conduct)

The Code of Conduct sets out the principles and standards of behaviour that are expected of employees of the Group (including part-time and temporary employees) when dealing with customers, business associates, regulators and colleagues. The principles covered in the Code of Conduct include professional integrity, confidentiality, conflicts of interests, fair dealings with customers and whistle-blowing. It also defines the procedures for employees of DBS to report incidents and provides protection for those staff for these disclosures.

All employees of DBS are required to read and acknowledge the Code of Conduct on an annual basis. Members of the public may access the Code of Conduct on DBS' website, as well as write in via an electronic feedback form on the website. The Code of Conduct encourages employees of DBS to report their concerns to DBS' dedicated, independent investigation team within Group Compliance which handles whistle-blowing cases according to a well-defined protocol. Alternatively, in case of actual or potential conflict of interest or fear of retribution, employees of DBS may write in confidence to Human Resources, Group Audit, or even the CEO or the Chairman. In addition, employees of DBS have the option of using the DBS Speak Up service.

Whistle-blowing policy

DBS Speak Up is a hotline service run by an independent external party that gives employees of the Group the opportunity to speak up on misconduct and/ or wrongdoing by a DBS employee, customer, vendor or third party.

DBS Speak Up service includes:

- a dedicated hotline number, website, email address, fax number and postal address for reporting of suspected incidents of misconduct and wrongdoing;
- specialist call centre operators with knowledge of individual organisations;
- expert forensic investigators to analyse reports;
- timely reporting of incidents to dedicated representatives within an organisation; and
- recommendations on corrective action.

Accountability to our shareholders

Shareholder rights

DBS promotes fair and equitable treatment of all shareholders. All shareholders enjoy specific rights under the Singapore Companies Act and DBSH's Constitution. These rights include, among others, the right to participate in profit distributions and the right to attend and vote at general meetings. Ordinary shareholders are entitled to attend and vote at general meetings in person or by proxy. Indirect investors who hold DBSH shares through a nominee company or custodian bank or through a CPF agent bank ("Relevant Intermediaries") may attend and vote at general meetings by requesting their Relevant Intermediaries to appoint them as proxies.

DBS respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure. All price-sensitive information is publicly released prior to any sessions with individual investors or analysts.

The Board provides shareholders with regular financial reports, which aim to give shareholders a balanced assessment of the Group's financial performance and position. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

Engagement with shareholders

Our investor relations activities promote regular, effective and fair communication with shareholders. Separate briefing sessions were conducted for the media and analysts when quarterly results were released. All press statements and quarterly financial statements have been published on our website and the SGX website. A dedicated investor relations team supports the CEO and the CFO in maintaining a close and active dialogue with investors. The DBS website provides contact details for investors to submit their feedback and raise any questions.

During the year, we engaged with more than 600 debt and equity investors. We participated in 12 investor conferences and road shows. As a result of the Covid-19 pandemic, these

engagements were conducted through virtual meetings and phone calls. These meetings provide a forum for management to explain DBS' strategy and financial performance, and solicit analysts' and investors' perceptions of DBS.

We have a disclosure policy to ensure that all disclosures of material information are timely, complete and accurate. The policy sets out how material information should be managed to prevent selective disclosure. Our Group Disclosure Committee (GDC) assists the CEO and the CFO in implementing the disclosure policy. The GDC's objectives are to: (a) periodically review DBS' disclosure policy and update it as needed, (b) ensure that all material disclosures are appropriate, complete and accurate, and (c) ensure selective or inadvertent disclosure of material information is avoided.

Conduct of shareholder meetings

This section describes DBS' usual practice for the conduct of general meetings prior to the onset of the Covid-19 pandemic in early 2020.

DBS encourages and values shareholder participation at its general meetings. The Chairman plays a pivotal role in fostering constructive dialogue between shareholders, Board members and management at general meetings. Resolutions requiring shareholders' approval are tabled separately for adoption at general meetings unless they are closely related and are more appropriately tabled together. The minutes of our general meetings may be accessed via our website.

DBS puts all resolutions at general meetings to a vote by electronic poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentages. DBS appoints an independent external party as scrutineer for the electronic poll voting process. Prior to the commencement of a general meeting, the scrutineer would review the proxies and the electronic poll voting system as part of the proxy verification process. At the general meeting, mobile devices are used for poll voting and the results of the electronic poll voting are announced immediately after each resolution has been put to a vote. DBS maintains an audit trail of all votes cast at the general meeting.

The outcome of the general meeting (including detailed results of the poll vote for each resolution) is promptly disclosed on SGXNET within the same day after the conclusion of that meeting.

Annual General Meetings (AGMs) provide shareholders with the opportunity to share their views and to meet the Board, including the chairpersons of the Board committees and certain members of senior management. Our external auditor is available to answer

shareholders' queries. At each AGM, DBS' financial performance for the preceding year is presented to shareholders.

Conduct of AGM in 2020 amidst current Covid-19 pandemic

On 9 March 2020, we issued our Notice of 2020 AGM to notify shareholders that our 2020 AGM will be held at Marina Bay Sands Expo and Convention Centre on 31 March 2020. However, in view of the Covid-19 pandemic, the Singapore government issued an order on 24 March 2020 requiring all events and mass gatherings to be deferred. As Singapore law then did not allow companies to hold general meetings by purely virtual means, we were required to adjourn our 2020 AGM.

We held our adjourned 2020 AGM by electronic means on 30 April 2020, pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for

Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order") which was gazetted on 13 April 2020. Shareholders were invited to participate in the virtual 2020 AGM by (a) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the 2020 AGM; and (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2020 AGM. The Chairman and CEO were present in person at the virtual 2020 AGM proceedings, while the rest of the Directors joined the 2020 AGM by way of video conference. We have disclosed, on our website and SGXNET, the names of the Directors and senior executives who attended the 2020 AGM held by way of electronic means as well as detailed records of the proceedings including responses to questions raised by shareholders in advance of the 2020 AGM.

Conduct of 2021 AGM

Due to prevailing Covid-19 restrictions, shareholders will not be able to attend our 2021 AGM in person. Instead, we will be holding our 2021 AGM by electronic means on 30 March 2021 and shareholders are invited to participate at our virtual 2021 AGM by (a) observing and/or listening to the 2021 AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of, or "live" at, the 2021 AGM; and (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2021 AGM. Details of the steps for pre-registration, submission of questions and voting at the 2021 AGM by shareholders, including CPF and SRS investors, are set out in a separate announcement released on SGXNET on 8 March 2021. In view of the constantly evolving Covid-19 situation in Singapore, we may be required to change our arrangements for the AGM at short notice and shareholders should check SGXNET for the latest updates on the status of the 2021 AGM.

Where to find key information on each Director?

In this Annual Report:

- *Pages 46 to 47 – Directors' independence status, appointment dates, meeting attendance and remuneration details*
- *Pages 190 to 195 – Directors' length of directorship, academic and professional qualifications and present and past directorships*
- *Pages 214 to 217 – Additional Information on Directors seeking re-election at the Annual General Meeting to be held on 30 March 2021*

At our website (www.dbs.com): Directors' biodata