

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 held over 450 meetings with equity investors and over 200 meetings with debt investors. We participated in 37 investor conferences and road shows. As a result of the Covid-19 pandemic, these engagements were largely 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 2021 amidst current Covid-19 pandemic

Due to prevailing Covid-19 restrictions, shareholders were not able to attend our 2021 AGM in person. Instead, we held our 2021 AGM by electronic means on 30 March 2021 and shareholders were 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 vote on their behalf at the 2021 AGM. The Chairman, CEO and our Singapore-resident Directors were present in person at the virtual 2021 AGM proceedings, while the overseas Directors joined the 2021 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 2021 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 2021 AGM.

Conduct of 2022 AGM

As a precautionary measure due to the current Covid-19 situation in Singapore, shareholders will not be able to attend the 2022 AGM in person. Instead, we will be holding our 2022 AGM by electronic means on 31 March 2022 and shareholders are invited to participate at our virtual 2022 AGM by (a) observing and/or listening to the 2022 AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of, or "live" at, the 2022 AGM; and (c) voting at the AGM (i) "live" by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the AGM. Details of the steps for pre-registration, submission of questions and voting at the 2022 AGM by shareholders, including CPF and SRS investors, are set out in a separate announcement released on SGXNET on 9 March 2022. 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 2022 AGM.

Awards won in 2021

We received several accolades for our corporate governance:

- At the Singapore Corporate Awards (special edition), we were one of the winners of the Corporate Excellence and Resilience Award
- We were runner-up in the Securities Investors Association (Singapore) Investors' Choice Awards 2021 for corporate governance in the big-cap companies' category.

REMUNERATION REPORT

We believe that our long-term success depends in large measure on the contributions of our employees. Our remuneration framework is designed to be consistent with market best practices, drive business strategy and create long-term shareholder value. Remuneration policies and practices as set out in the following report are governed by a set of sound principles which are in compliance with various regulatory requirements.

1 Objectives of DBS remuneration strategy

DBS' remuneration policy, which is applicable to DBS Bank and all our subsidiaries and overseas offices, seeks to ensure that we are able to attract, motivate and retain employees to deliver long-term shareholder returns, taking into consideration risk management principles and standards set out by the Financial Stability Board (FSB) and the Code of Corporate Governance.

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

The following shows the three main thrusts of our remuneration strategy and how they are implemented within DBS:

Main thrusts	Details
Pay for performance as measured against balanced scorecard	<ul style="list-style-type: none"> • Instill and drive a pay-for-performance culture • Ensure close linkage between total compensation and our annual and long-term business objectives as measured by our balanced scorecard • Calibrate mix of fixed and variable pay to drive sustainable performance that is aligned to DBS PRIDE! values, taking into account both "what" and "how" key performance indicators (KPIs) are achieved
Provide market competitive pay	<ul style="list-style-type: none"> • Benchmark our total compensation against other organisations of similar size and standing in the markets we operate in • Drive performance differentiation by benchmarking total compensation for top performing employees against the upper quartile or higher in each market
Guard against excessive risk-taking	<ul style="list-style-type: none"> • Focus on achieving risk-adjusted returns that are consistent with prudent risk and capital management, as well as emphasise long-term sustainable outcomes • Design payout structure to align incentive payments with the long-term performance of the Group through deferral and clawback arrangements • Design sales incentive plans to encourage the right sales behaviour

* Read more on DBS PRIDE! values on page 67.

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 191 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 31 March 2022

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

2 Summary of current total compensation elements

The table below provides a description of total compensation elements, their purpose and implementation:

Elements	Purpose	Details
Salary	<ul style="list-style-type: none"> Attract and retain talent by ensuring our fixed pay is competitive against comparable institutions 	<ul style="list-style-type: none"> Set at an appropriate level, taking into account market dynamics as well as the skills, experience, responsibilities, competencies and performance of the employee Typically reviewed annually
Cash bonus and deferred awards	<ul style="list-style-type: none"> Provide a portion of total compensation that is performance-linked Focus employees on the achievement of objectives which are aligned to value creation for our shareholders and multiple stakeholders Align to time horizon of risk 	<ul style="list-style-type: none"> Based on DBS, business or support unit, and individual performance Measured against a balanced scorecard which is agreed to at the start of the year Awards in excess of a certain threshold are subject to a tiered deferral rate that ranges from 20% to 60% with a minimum deferred quantum

Country variations to the threshold and the form of deferrals may apply to address statutory requirements.

3 Determination of variable pay pool

The variable pay pool is derived from a combination of a bottom-up and top-down approach. It is underpinned by our aim to drive a pay-for-performance culture which is aligned to our risk framework.

Process	Details
Determining total variable pay pool	<ul style="list-style-type: none"> A function of our overall balanced scorecard and benchmarked against market. The scorecard includes substantial risk and control metrics designed and evaluated by the control functions. Control functions therefore have a direct role in determining the size of the variable pay pool. <p>The variable pay pool is further calibrated against the following prisms:</p> <ul style="list-style-type: none"> Risk adjustment through review of Return on Risk-Adjusted Capital (RoRAC) Appropriate distribution of surplus earnings (after cost of equity) between employees and shareholders
Allocating pool to business units	<ul style="list-style-type: none"> Pool allocation takes into account the relative performance of each unit against their balanced scorecard as evaluated by the CEO Inputs from control functions such as Audit, Compliance and Risk are sought Country Heads are also consulted in the allocation process
Determining individual award	<ul style="list-style-type: none"> Unit heads cascade their allocated pool to their teams and individuals Individual variable pay determined based on performance against goals and DBS PRIDE! values Employees with disciplinary warning meted out may have their variable pay impacted

The performance of control functions (Audit, Compliance and Risk) are assessed independently from the business units they support to prevent any conflicts of interests. The remuneration of the Chief Risk Officer (CRO) and Group Head of Audit are endorsed by the Chairman of Board Risk Management Committee and Audit Committee respectively and subsequently approved by the Board.

Sales employees are incentivised to promote the development of mutually beneficial long-term relationships with their customers, rather than a sole focus on short-term gains. Non-financial metrics such as customer satisfaction and compliance with fair dealing principles are incorporated into their KPIs.

4 Deferred remuneration

Plan objectives	Details
<ul style="list-style-type: none"> Foster a culture that aligns employees' interests with shareholders Enable employees to share in DBS' performance Help in talent retention 	<ul style="list-style-type: none"> Deferred remuneration is paid in restricted shares (DBSH Share Plan) and comprises two elements: the main award and retention award The retention award constitutes 20% of the shares given in the main award and is designed to retain talent and compensate staff for the time value of deferral Deferred awards vest over four years, and will lapse immediately upon termination of employment (including resignation) except in the event of ill health, injury, disability, redundancy, retirement or death Special Award is sometimes awarded as part of talent retention
Vesting schedule	Malus of unvested awards and clawback of vested awards
<p>Main Award</p> <ul style="list-style-type: none"> 33% vest two years after grant date Another 33% vest three years after grant date Remaining 34% vest four years after grant date <p>Retention Award</p> <ul style="list-style-type: none"> 100% vest four years after grant date 	<p>Malus and/ or clawback will be triggered by</p> <ul style="list-style-type: none"> Material violation of risk limits Material losses due to negligent risk-taking or inappropriate individual behaviour Material restatement of DBS' financials due to inaccurate performance measures Misconduct or fraud <p>Vested and unvested awards are subject to clawback within seven years from the date of grant</p>

Employees on sales incentive plans whose incentives exceed a certain threshold are also subject to deferrals which vest over three years and a 15% retention award.

Selected employees are awarded retention shares in light of market conditions and competition for talent. These retention shares are subject to DBS' usual four-year vesting period.

Read more about the Share Plan on page 109.

5 Summary of 2021 remuneration outcomes

Our remuneration is linked to how we perform against our balanced scorecard (see pages 28 to 33) which is aligned to long-term value creation for our stakeholders in a sustainable way (see pages 66 to 67). As our scores improved in the current financial year, our variable pay pool was better than the previous year. The Compensation and Management Development committee (CMDC) evaluated and approved the variable pay pool which was subsequently endorsed by the Board.

In 2020, an external management consulting firm, Oliver Wyman, was engaged to provide an independent review of the Group's compensation system and processes to ensure compliance with the FSB Principles for Sound Compensation Practices. A similar review is planned for 2022.

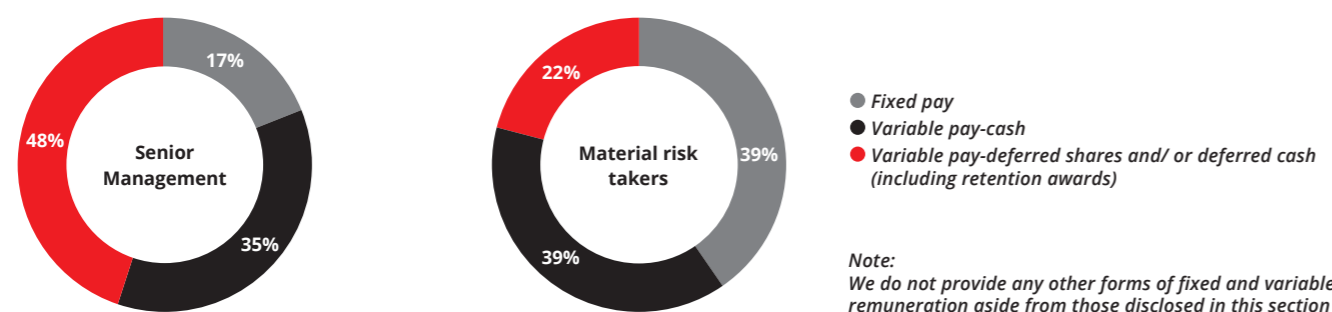
We used salary surveys conducted by an external compensation consultant, McLagan, as references for employee salary benchmarking purposes. McLagan and its consultants are independent and not related to us or any of our Directors.

Senior management and material risk takers

In line with the principles set out by FSB, a substantial portion of remuneration (more than 50%) for our Senior Management as well as material risk takers (i.e. other employees whose actions have a material impact on the risk exposure of the bank) are variable. The variable remuneration in excess of a certain threshold are subject to deferral, thus ensuring alignment to the time horizon of risks.

Our effective deferral rate for our Senior Management and material risk takers, on an aggregate basis, is usually above 30%. While regulatory guidance has suggested a 40% threshold, we believe that we remain aligned with the regulatory compensation principles as we currently operate with a vesting schedule of four years, which is longer than regulatory guidance of three years. There is also no vesting until two years after the grant date.

The following charts show the mix of fixed and variable pay for both groups for performance year 2021:



Our Senior Management's aggregate total remuneration in 2021 amounted to SGD 79.4 million, including the CEO's remuneration of SGD 13.6 million. Excluding the CEO's remuneration which has been separately disclosed, the median increase in total remuneration of the Senior Management who were members of the Group Management Committee for both 2020 and 2021 was 23.8%. The increase in 2021 relative to 2020 reflects a normalisation following a reduction taken in 2020 in response to the pandemic, and in recognition of the Group's strong performance for FY2021.

While corporate governance guidelines recommend that at least the top five key executives' remuneration be disclosed, the Board believes that it would be disadvantageous for us to do so because of the constant battle for talent in a highly competitive industry. This is consistent with banking industry practice in the local market. However, we do provide additional information on the average increase in remuneration of our Senior Management in the year as detailed above.

Breakdown of deferred remuneration awards

Category	Senior Management ⁽¹⁾	Material Risk Takers ⁽²⁾
Total outstanding deferred remuneration⁽³⁾:		
Cash		0.7%
Shares and share-linked instruments		99.3%
Other forms of remuneration		-
Total		100.0%
Outstanding deferred and retained remuneration⁽³⁾⁽⁴⁾:		
Of which exposed to ex-post adjustments		
Cash		0.7%
Shares and share-linked instruments		99.3%
Other forms of remuneration		-
Total		100.0%
Total amendment during the year due to ex-post explicit adjustments⁽⁵⁾:		
Cash	-	-
Shares and share-linked instruments	-	-
Other forms of remuneration	-	-
Total	-	-
Total amendment during the year due to ex-post implicit adjustments⁽⁵⁾:		
Cash	-	-
Shares and share-linked instruments ⁽⁶⁾	24.6%	27.1%
Other forms of remuneration	-	-
Total		
Total deferred remuneration paid out in the financial year:	31.1%	29.4%
Headcount	20	269

- (1) Senior Management (SM) is defined as the CEO and members of the Group Management Committee who have the authority and responsibility for DBS' overall direction and executing to strategy
- (2) Material risk takers (MRTs) are defined as employees whose duties require them to take on material risk on our behalf in the course of their work. These can be either individual employees or a group of employees who may not pose a risk to DBS' financial soundness on an individual basis, but may present a material risk collectively
- (3) Due to data confidentiality, the total amount of deferred and retained remuneration for SM and MRTs have been aggregated for reporting
- (4) Retained remuneration refers to shares or share-linked instruments that are subject to a retention period under a share retention policy
- (5) Examples of explicit ex-post adjustments include malus, clawbacks or similar reversal or downward revaluations of awards. Examples of implicit ex-post adjustments include fluctuations in the value of DBS ordinary shares or performance units
- (6) $[\text{No. of unvested DBS ordinary shares as at 31 Dec 21} \times \text{share price as at 31 Dec 21}] / [\text{No. of unvested DBS ordinary shares as at 31 Dec 20} \times \text{share price as at 31 Dec 20}] - 1$

Guaranteed bonuses, sign-on bonuses and severance payments

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

* Due to data confidentiality, the total amount of payments will not be disclosed.

Other provisions

We do not allow accelerated payment of deferred remuneration except in cases such as death in service or where legally required. There are no provisions for:

- Special executive retirement plans;
- Golden parachutes or special executive severance packages; and/ or
- Guaranteed bonuses beyond one year.

Chief Executive Officer

Since becoming CEO in November 2009, Piyush Gupta has transformed DBS into a leading bank with multiple engines of growth, solid digital leadership, and a dynamic culture that embraces innovation.

This led DBS to deliver its best year ever in 2021, not only in terms of financial performance but also across a range of key scorecard goals. For the year, DBS had record net profit of SGD 6.80 billion, up 44%. Return on equity, at 12.5%, was the second-highest in more than a decade.

This achievement was all the more remarkable given ongoing challenges in the operating environment. With Covid-19 in the second year, global interest rates remained at rock-bottom levels. China idiosyncratic risks also increased, following moves by the government to temper exuberance in the property market. Against this backdrop, DBS' sterling financial performance underlined the strength of our broad-based franchise and the success of multi-year transformation efforts.

Over the past year, DBS executed several inorganic transactions, including acquiring the consumer banking business of Citigroup in Taiwan and investing in Shenzhen Rural Commercial Bank. These initiatives will strengthen our franchise, and enable us to ride the crest of a structurally rising Asia. We also launched several new businesses such as DBS Digital Exchange, Partior and Climate Impact X, which harness emerging technologies, and will position us for the future.

Given our belief that the successful organisation of the future will have to operate very differently, DBS launched new ways of working. This included having some of our people working horizontally across functions to better serve customers and being more data-driven. Recognising that our employees want greater flexibility, we also introduced hybrid work models and flexi-work arrangements. Employee engagement scores improved to 86%, outperforming the Kincentric benchmark for the APAC Financial Services Industry.

During the year, DBS also continued to advance the sustainability agenda, both in terms of tackling climate change and addressing the growing social issues in our midst.

The bank's efforts were well-recognised, with not one but two global publications naming DBS as best in the world.

In recognition of Mr Gupta's 2021 performance, his present-year remuneration is as outlined below:

Breakdown of remuneration for performance year 2021 (1 January – 31 December)

	Salary remuneration SGD	Cash bonus ⁽¹⁾ SGD	Share Plan ⁽²⁾ SGD	Others ⁽³⁾ SGD	Total ⁽⁴⁾ SGD
Mr Piyush Gupta	1,200,000	5,165,000	7,135,000	75,462	13,575,462

- (1) The amount has been accrued in 2021 financial statements
- (2) At DBS, ordinary dividends on unvested shares do not accrue to employees. For better comparability with other listed companies, this figure excludes the estimated value of retention shares amounting to SGD 1,427,000, which serve as a retention tool and compensate staff for the time value of deferral. This is also similar in nature to practices in those companies which provide accrual of dividends for deferred awards
- (3) Represents non-cash component and comprises club, car and driver
- (4) Refers to current year performance remuneration – includes fixed pay in current year, cash bonus received in following year and DBS ordinary shares granted in following year