Recognised for its global leadership, DBS has been named “World’s Best Bank” by Euromoney, “Global Bank of the Year” by The Banker and “Best Bank in the World” by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named “World’s Best Digital Bank” by Euromoney and the world’s “Most Innovative in Digital Banking” by The Banker. In addition, DBS has been recognised as “Safest Bank in Asia” by Global Finance for 13 consecutive years from 2009 to 2021.

The bank’s “AA-” and “Aa1” credit ratings are among the highest in key Asian axes of growth: Greater China, Southeast Asia and South Asia.

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank’s “AA-” and “Aa1” credit ratings are among the highest in the world.

This Annual Report is prepared in accordance with the following regulations, frameworks and guidelines:

• The Banking (Corporate Governance) Regulations 2005, and all material aspects of the Code of Corporate Governance 2018 and the Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers issued in November 2021 by the Monetary Authority of Singapore.

• The International Integrated Reporting Framework issued in December 2014 by the International Integrated Reporting Council.

• The Guidelines on Responsible Financing issued in October 2015 (with subsequent revisions), and the G4 Financial Services sector disclosures by the GRI Global Sustainability Standards Board.

• The Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers issued in November 2021 by the Monetary Authority of Singapore.

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• The Guidelines on Responsible Financing issued in October 2015 (with subsequent revisions), and the G4 Financial Services sector disclosures by the GRI Global Sustainability Standards Board.

• The Global Reporting Initiative (GRI) Standards – Core Option, issued in December 2014 by the International Integrated Reporting Council.

• The International Integrated Reporting Framework issued in December 2014 by the International Integrated Reporting Council.

• The Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers issued in November 2021 by the Monetary Authority of Singapore.

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This section provides information on who we are and our leadership team. It also contains a joint message from the Chairman and CEO.

Reflections from the top
This section contains the CEO’s thoughts on some pertinent matters and recaps the year’s performance through the lens of our senior leaders.

Governance, Risk Management and Sustainability
This section details our commitment to sound and effective governance, risk management and sustainability.

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KEY AWARD CITATIONS INCLUDE:

“Once again DBS has demonstrated its world-class deployment of innovative technology solutions that is not only delivering material benefits for clients but is also driving a reimagination of banking as we know it today. Importantly, the bank has also taken a lead in sustainable and transition financing, spearheading framework and taxonomy developments to support the shift to a low-carbon global economy. A truly forward-looking organisation with solid foundations and a spirit of innovation.”

Global Bank of the Year, The Banker

“Of all banks we cover worldwide, DBS was the one that most clearly demonstrated a rare skill: not just surviving a crisis but using it as a chance to innovate and to be a better bank. As well as fortitude and profitability, it shewed opportunism and smart thinking, all underpinned by its digital leadership.”

World’s Best Bank 2021, Euromoney

“It is a fitting tribute to a bank that is renowned for being ahead of its peers in adopting emerging technologies that are reshaping the banking industry. During the past year, it launched DBS Digital Exchange, NAV Planner, and a Covid contact-tracing solution using AI/machine learning. These initiatives are testament to DBS’ innovative spirit.”

Most Innovative in Digital Banking, The Banker

Our efforts on the sustainability front also received recognition from renowned publications, with Global Finance recognising us for our “Outstanding Leadership in Sustainable Project Finance” and “Outstanding Leadership in Green Bonds”, while The Asset named us “Best ESG Transaction Bank” in Asia-Pacific. In Singapore, the Ministry of Sustainability and the Environment acknowledged our efforts to champion a more sustainable way of living with the “President’s Award for the Environment”.

WHO WE ARE

DBS is one of Asia’s leading banks, operating in the most dynamic region of the world. We are focused on leveraging digital technology to reimagine banking to provide our customers a full range of services in consumer banking, wealth management and institutional banking. We also see a purpose beyond banking and are committed to supporting our customers, employees and the community towards a sustainable future.

SUSTAINABILITY HIGHLIGHTS

- Achieved more than 600,000 kg of food impact as part of reducing food waste and enhancing food security
- Awarded 58 accolades in recognition of sustainability and purpose-driven efforts
- Set aside SGD 100 million to enhance support for social enterprises and community causes
- Engaged in more than 100,000 hours of employee volunteerism activities
- Disbursed record SGD 3 million through DBS Foundation Grant programme to support social enterprises
The Board is committed to helping the Group achieve long-term success. The Board provides direction to management by setting the Group’s strategy and overseeing its implementation. It ensures risks and rewards are appropriately balanced.

**INDEPENDENT**

Majority of our Board comprise independent and non-executive directors.

**DIVERSE**

Good mix of nationalities, gender and backgrounds.

**HIGHLY-EXPERIENCED**

Two-thirds of the Board are seasoned bankers, while the rest have extensive experience in other related industries.

**AWARD WINNING**

DBS Chairman Peter Seah awarded the Order of Nila Utama (With Distinction) in 2021 – one of Singapore’s top national honours.

Read more about the Board of Directors on pages 191 to 195.
The Group Management Committee executes the strategy and long-term goals of the Group. It drives business performance and organisational synergies. It is also responsible for protecting and enhancing our brand and reputation.

Group Management Committee members have more than 30 years of experience on average.

One in four of our Group Management Committee members are women.

1. Piyush Gupta*, Chief Executive Officer
2. Chng Sok Hui*, Chief Financial Officer
3. Eng-Kwok Seat Moey, Capital Markets
4. Philip Fernandez, Corporate Treasury
5. Neil Ge, China
6. Derrick Goh, Audit
7. Han Kwee Juan, Strategy & Planning
8. Lam Chee Kin, Legal, Compliance & Secretariat
9. Lee Yan Hong, Human Resources
10. Lim Him Chuan, Taiwan
11. Sim S Liem*, Consumer Banking/Wealth Management
12. Andrew Ng*, Treasury & Markets
13. Jimmy Ng*, Chief Information Officer
14. Karen Ngai, Strategic Marketing & Communications
15. Sebastian Paredes*, Hong Kong
16. Shee Tse Koon*, Singapore
17. Soh Kian Tiong*, Chief Risk Officer
18. Surajit Shome, India
19. Paulus Sutisna, Indonesia
20. Tan Su Shan*, Institutional Banking

Those marked by * are also in the Group Executive Committee.

Read more about the Group Management Committee on pages 196 to 198.
LETTER FROM THE CHAIRMAN & CEO

In 2021, global economies bounced back from the depths of a pandemic-induced recession. Thanks to mass vaccinations, pent-up consumer demand, accommodative monetary policy and strong fiscal support, global growth rebounded sharply. In Singapore, our home market, the economy grew 7.6%. Hong Kong, our second-largest market, expanded 6.4%. The robust economic recovery belied a pandemic that continued to rage on for most of the year, which resulted in economic and border re-openings happening in fits and starts. Against this mixed backdrop, we turned in our best year ever, with not just excellent financial performance but also all-round delivery against key scorecard goals.

An outstanding year

For the year, DBS delivered 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. These achievements were extraordinary given the near-zero interest rate environment globally, and speak to the strength of our broad-based franchise in key growth markets.

In particular, we made good progress in transforming the bank through managing by performance but also all-round delivery against key scorecard goals.

In 2021, we made significant down payments for the future, executing several inorganic transactions and launching a multitude of new businesses that will position us well in the coming decade.

Positioning ourselves for the future

In a turbulent time, DBS continued to be recognised as a safe and trusted bank. Coupled with the strides we have made in innovating our cash management offerings, over the past two years, we benefitted from SGD 143 billion in current and savings account (Casa) inflows into the bank. Today, Casa as a proportion of total deposits is 76%, a record high, positioning us to benefit strongly when central banks start hiking interest rates in 2022.

In India, we successfully amalgamated Lakshmi Vilas Bank (LVB). LVB gives us an enlarged footprint, particularly in southern India on
which to overlay our digital strategy. It also scales up our consumer and SME businesses significantly. Integration has progressed well, and after an initial focus on stabilising the LVB franchise, business momentum has picked up. In Taiwan, we agreed to acquire Citigroup’s Taiwan consumer banking business (Citi Consumer Taiwan). Citi Consumer Taiwan is an incredibly attractive and high-return franchise, and widely considered to be the best foreign consumer bank in Taiwan. It will accelerate DBS Taiwan’s growth by at least 19 years, making it Taiwan’s largest foreign bank by assets. The transaction is expected to be accretive to earnings and return on equity immediately after completion, which is slated for mid-2023.

In China, we acquired a 13% stake in Shenzhen Rural Commercial Bank (SZRCB), becoming its largest single shareholder. SZRCB is a well-managed profitable franchise, and the investment allows us to accelerate our Greater Bay Area (GBA) strategy via Shenzhen, arguably GBA’s fastest-growing city.

DBS Bank (Hong Kong) received approval to offer investment products and solutions to GBA customers under the Wealth Management Connect scheme. This represents a significant opportunity given the more than six million affluent households in the GBA. Through our partnership with the Postal Savings Bank of China, one of the largest retail banks in China, we expect a quarter of DBS Hong Kong’s Taiwan Wealth Management customers to come from the GBA region over the next three years.

China’s capital markets liberalisation also presents another exciting growth opportunity. To position ourselves early to capture two-way deal-flow as China opens up, we launched DBS Securities (China) Limited, a joint venture securities company in June. Already, business has surpassed expectations—we completed five onshore capital markets transactions since starting operations, and the pipeline is robust.

Underlining our confidence in the future of Asia, DBS also committed to participating in two funds. One is the USD 500 million Evolution(Asia) Debt Capital, which was set up with Temasek to provide non-dilutive financing to growth-stage technology-enabled companies across Asia. The other is Muzinich Asia Pacific (APAC) Private Debt I, which provides us with growth exposure to recovery opportunities in the region.

Being ahead of the curve as emerging technologies reach tipping point

The financial services industry is on the cusp of massive changes. While blockchain and artificial intelligence technologies have been in existence for some years, they are finally reaching a tipping point and creating exponential impact in areas such as trade finance and digital currencies.

Transforming the way we work
Given the rapid pace of change, we believe the successful future of the franchise will have to operate very differently.

In 2021, we re-architected our most important customer processes—namely, those involving credit cards, wealth management, consumer finance, foreign exchange and supply chain—horizontally. We felt that if we are to be truly customer-obsessed, then we must manage by customer journeys. Given that journeys are by definition horizontal, so breaking cross-functional teams are best placed to deliver differentiated customer experience and business outcomes. The horizontal organisation formalises the collaboration and joint accountability needed to maximise end-to-end customer and business outcomes. Results have been positive so far.

With Covid-19, the nature of work has also changed. Along with this, we instituted a hybrid work model where employees need only be in the office three days a week. We also allowed flex-work arrangements to those who prefer to work fewer hours. With these shifts, we reconfigured our workplaces, improving occupancy footprint efficiencies. In addition, 8,000 sq ft of our office space was turned into jyospaces, or activity-based workplaces. In 2021, more workplaces will be transformed to allow for greater location and interaction in the next few years.

Recognitions
In 2021, DBS was recognised by Euromoney and The Banker as being in the best in the world.

In naming us “World’s Best Bank”, Euromoney said, “Of all the banks we cover worldwide, DBS is the one that most clearly demonstrated a rare skill: not just surviving a crisis, but using it as a chance to innovate and to be a better bank. As well as fortitude and profitability, it showed opportunism and smart thinking, all underpinned by its digital leadership.”

The Banker, a leading Financial Times publication, recognised us as “Global Bank of the Year” for “driving a reimagination of banking as we know it today.” Important, the bank has also taken a lead in sustainable and transition financing, spearheading framework and taxonomy developments to support the shift to a low-carbon global economy. A truly forward-looking organisation with solid foundations and a spirit of innovation,” it said.

DBS was also named to the FTSE4Good Global Index and the Bloomberg Gender Equality Index for the fifth consecutive year.

Board and management changes
During the year, we appointed two new executive directors to the Board. They are senior civil servant Cheng Kai Fong and risk management veteran Judy Lee. Kai Fong is the Second Permanent Secretary of The Smart Nation and Digital Government Group. Judy is Managing Director of Dragonfly LLC, an international risk advisory firm based in New York. Concurrently, she is CEO of Dragonfly Capital Ventures LLC, which develops and invests in renewable energy in Southeast Asia. Both are strong additions to DBS 10-member Board.

Underscoring our deep bench strength, we filled the Chief Risk Officer (CRO) role previously held by Tan Teck Long internally, to Koh Hian Tiong, who has over 25 years of experience in risk management and risk roles, stepped into the CRO role seamlessly in November.

Dividends
The Board has proposed a final dividend of SGD 36 cents per share for approval at the forthcoming annual general meeting. This is an increase of three cents per share from the previous pay-out. This will bring the dividend for financial year 2021 to SGD 1.29 per share.

DBS agreed to acquire Citigroup’s consumer banking business in Taiwan in January 2022, accelerating DBS Taiwan’s growth by at least 16 years.

Barring unforeseen circumstances, the annualised dividend going forward will rise to SGD 1.44 per share, an increase of 9%.

Going forward
At the time of writing, the world seems ready to open up and we are learning to live with Covid. At the same time, geopolitics is casting some shadows, and the macroeconomic policy pathways are uncertain. In such an environment, we have to continue to be watchful and nimble. We take heart that our business pipeline is robust. Importantly, we have a prudently managed balance sheet that is poised to benefit from rising interest rates.

The inorganic transactions and investments we made over the last 12 months will strengthen our franchise, and position us well to ride the crest of a structurally rising Asia. We expect payslip from these initiatives will materialise in the short to medium term, and give us additional engines of growth.

Looking further out, given that technological changes could fundamentally reshape the financial system, we must do what we can to be ahead of the curve. With DBEs, Parrot and CIX, we have put some irons in the fire, and are learning by doing.

In short, while 2021 was our best-ever year, we will continue to re-position ourselves as a bank of the future.
Since the successful amalgamation of India’s Lakshmi Vilas Bank (LVB) with DBS Bank India Limited in November 2020, we have made steady progress in growing the business. Over the past year, LVB’s current and savings account balances, as well as its gold loans portfolio, have grown. Wealth management sales have also increased. Analytics-based lending is being offered through the LVB network in a phased manner.

Citigroup’s consumer banking business in Taiwan
To accelerate our growth in Asia, we agreed to acquire Citigroup’s consumer banking business in Taiwan (Citi Consumer Taiwan) in January 2022. Citi Consumer Taiwan is widely recognised as the best foreign consumer bank in the market with a high-quality customer base and top-class management team and workforce. Following the acquisition, DBS will be Taiwan’s largest foreign bank by assets.

DBS Securities (China)
DBS Securities (China) received its securities business licence in June 2021, becoming the first Sino-Singapore securities joint venture. During the year, we successfully completed five onshore investment banking deals.

Helping customers grow their wealth with DBS NAV Planner
In 2021, we continued to improve the functionality and features of DBS NAV Planner, including leveraging artificial intelligence and hyper-personalisation technology to generate 30 million insights each month to help our customers manage their money better.

Shenzhen Rural Commercial Bank
DBS acquired a 13% stake in Shenzhen Rural Commercial Bank (SZRCB), becoming its biggest shareholder. SZRCB is a well-managed profitable franchise, and the investment allows us to accelerate our Greater Bay Area (GBA) strategy via Shenzhen, arguably GBA’s fastest-growing city.

Wealth Management Connect Scheme
DBS Bank (Hong Kong) is the only Hong Kong bank to partner two banks – Postal Savings Bank of China and DBS Bank (China) – in the Wealth Management Connect Scheme. Through this collaboration, we are able to tap on the expertise and network of each partner to give our customers in the Greater Bay Area access to a more diversified suite of investment products and solutions, and digital banking capabilities.

Muzinich Asia Pacific (APAC) Private Debt Fund
We became an anchor investor in private debt fund, Muzinich Asia Pacific (APAC) Private Debt I. The fund focuses on identifying special situations opportunities arising from fundamentally-sound businesses that have been dislocated by pandemic disruptions, while providing them financing support to tide through these difficult times.

Enabling SMEs to access digital trade financing
Digitalisation was a lifebuoy that kept SMEs afloat during the pandemic. Through our ecosystem-led platforms, we were able to digitally onboard more than 4,000 suppliers so that they could get access to digital financing solutions quickly and seamlessly throughout the pandemic. For instance, more than nine in 10 of our supply chain finance transactions were carried out through our digital platforms in 2021. We also leveraged our extensive API suite to deliver a broad array of digital trade solutions to help our customers navigate the disruptions seamlessly.

Protecting customers with self-managed card security access features
We ramped up payments security for our 3.6 million debit and credit cardholders in Singapore, enabling them to personally manage the security access on their card accounts via a comprehensive suite of payment control features. These features, which can be conveniently accessed through the DBS/POSB digibank app, act as multiple locks that cardholders can choose to activate in order to block unauthorised transactions.

Expanding our presence in Asia
Lakshmi Vilas Bank
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Digital Exchange
We continue to see strong traction on the DBS Digital Exchange (DDEX) with trading values exceeding SGD 1 billion in 2021. Digital assets under custody grew more than 10 times in the past 12 months to SGD 800 million. In addition, DBS Vickers, our brokerage arm, received formal approval to provide digital payment token services, enabling it to provide direct support to asset managers and companies when they trade their digital payment tokens through DDEX.

Partior
We aim to transform the future of payments through Partior, a blockchain-based cross-border clearing and settlement provider, by enabling more efficient digital clearing and settlement solutions across the banking industry. Partior went live in October 2021.

Climate Impact X
We partnered Singapore Exchange, Standard Chartered and Temasek to set up Climate Impact X (CIx) to democratise corporate access to high-quality carbon credits, offset their unavoidable carbon emissions and up the ante on efforts to scale global voluntary carbon markets. CIx is expected to go live in early 2022.

FIX Marketplace
To propel efforts to create more efficient capital markets, DBS launched Fixed Income Execution (FIX) Marketplace, Asia’s first fully digital and automated fixed income execution platform. On FIX Marketplace, issuers can originate their own issuances and connect with investors directly. As at end-2021, FIX Marketplace has carried out 20 issuances amounting to SGD 4 billion.

Investing in the future of tech unicorns
EvolutionX Debt Capital
To support the development of new economy companies in Asia, we partnered with Temasek to set up EvolutionX Debt Capital. The USD 500 million growth stage debt financing platform focuses on providing financing to growth-stage technology-enabled companies across the region, with a focus on China, India and Southeast Asia.
Net-Zero Banking Alliance
DBS is the first Singapore bank to become a signatory to the United Nations-convened Net-Zero Banking Alliance. This reinforces our commitment to the global transition towards net zero.

Driving positive impact through sustainable finance
To reinforce DBS’ efforts in responsible banking, we raised our sustainable finance target to SGD 50 billion by 2024. We aim to help more customers incorporate sustainable business practices into their overall business strategy. For instance, we partnered with one of the world’s largest fashion retailers, Inditex, which owns brands such as Zara, Pull&Bear and Bershka, to launch an organic cotton procurement financing pilot programme. This enabled us to provide financing to more than 2,000 farmers in India through local Farmer Producer Organisations. With greater visibility of their cashflow, farmers can better plan for their business needs and grow their sustainable farming operations. In 2021, we committed a total of SGD 20.5 billion in sustainable financing transactions.

Broadening our suite of sustainable investments
To galvanise more wealth management clients to adopt ESG standards in their investments, DBS Private Bank has committed to growing its suite of sustainable investments, products and solutions to more than 50% of its assets under management by 2023.

Tracking steadily towards zero thermal coal commitment by 2039
DBS is the first Singapore bank to commit to zero thermal coal exposure by 2039. In April 2021, we ceased the onboarding of new customers who derive more than 25% of their revenue from thermal coal and will lower the threshold as time progresses.

Greasing our environmental footprint
We are on track to achieve net-zero operational carbon emissions across the bank by 2022. DBS’ four-storey office building in Newton will be transformed into a net-zero property with climate-friendly features. As at end 2021, 100% of DBS’ new suppliers have committed to the bank’s Sustainability Sourcing Principles.

LiveBetter
To encourage eco-conscious living, we launched LiveBetter in Singapore - a one-stop digital platform where users can easily access eco-friendly tips, donate to local green causes, and invest in sustainability-themed funds. The industry-first platform is now available to all DBS/POSB customers in Singapore via the bank’s digibank app.

Towards Zero Food Waste
Since 2020, we have sought to raise awareness of the problem of food waste and rally the community to address it. Our efforts have resulted in more than 850,000 kg of food impact across Asia to date, of which more than 600,000 kg was achieved in 2021. This comprises excess food that was redistributed, and food waste that was reduced and recycled.

Creating social good
Enhancing support for the community with additional SGD 100 million in funding
In 2021, DBS set aside SGD 100 million to enhance support for social enterprises (SEs) and community causes. We also doubled down on the DBS Foundation (DBSF) Grant programme, increasing our grant budget to SGD 3 million. In all, 19 SEs were selected to receive grants from DBSF to catalyse their growth for greater impact. The total number of SEs supported by DBSF grew 19% in 2021 to 824.

Donating to those hard-hit by the pandemic across the region
At the height of the pandemic, DBS marked our solidarity with colleagues, customers and the community across the region through a broad range of relief support. This included donating oxygen concentrators and other medical supplies to India and Indonesia to aid in the fight against the pandemic.

Banking accounts for migrant workers and foreign domestic workers
POSB is the only bank to partner the Migrant Workers’ Centre and Centre for Domestic Employees to set up banking accounts for more than 640,000 migrant workers and foreign domestic workers. Some 67% of them use the POSB digibank app to conduct their banking transactions today. In 2021, the number of remittances by work permit account holders grew 23%.
Q1: What was the rationale behind DBS’ recent acquisitions – Lakshmi Vilas Bank, Shenzhen Rural Commercial Bank and Citi Consumer Taiwan?

I have always maintained that in the long term, DBS needs to be more deeply embedded in one or more of our four markets outside of Singapore – China, India, Indonesia and Taiwan. While we are relying on digitalization in these markets, our fund-transfer growth is driven by an approach that a digital-only strategy has been difficult to monetise adequately, and a ‘phygital’ coupled with appropriate physical scale) approach results in better customer selection and path to profitability. Building such scale through organic transactions has always been a consideration; unfortunately, the regulatory environment made it difficult throughout much of the last decade. The discontinuities of the past couple of years have provided new opportunities in this regard, and we have been fortunate to be able to use this window to move meaningfully through advances in three transactions. The three transactions we did over the last 18 months – amalgamating Lakshmi Vilas Bank (LVB) in India, acquiring Citi’s consumer banking business in Taiwan (Citi Consumer Taiwan), and investing in Shenzhen Rural Commercial Bank (SZRCB) – will position DBS for growth as we look into the next decade.

India continues to be a very attractive banking market, especially in the SME and retail segments. The opportunity to serve as a “white knight” for LVB came to us because we had chosen to establish a local subsidiary as the banking entity, rather than operating through a branch. We found LVB attractive because of its deep presence in the five Southern Indian states, a part of the country that has attractive economic characteristics and historical connectivity in Singapore. At the same time, it gives us a presence in 42 of India’s top 60 cities, improves our funding base through retail deposits, and helps us broaden our product portfolio through offerings like gold loans and Loans Against Property. The performance in the first year post merger has been good, and we are confident that we now have a platform that will allow us rapid growth in the coming years.

While we are cognisant of policy adjustments coming out of China, we remain committed to the market. Our strategy in China is anchored on three thrusts. First, we bank the large state-owned companies, particularly potential world-class enterprises with regional growth ambitions. In 2021, we added an investment banking capability through a securities joint venture so we can support these companies in their capital markets activities too. Second, in the Greater Bay Area (GBA), we want to go deeper and bank SMEs down the supply chain. Third, we are keen to expand into the consumer finance space through ecosystem partners. Acquiring a 10% stake in SZRCB allows us to accelerate our GBA strategy via Shenzhen, arguably GBA’s fastest-growing city. We also see mutually-beneficial collaboration between SZRCB and our franchises in Hong Kong and China. While the stake is a minority one, it is the largest held by a single shareholder. We may have the opportunity to increase our shareholding in future as well.

DBS has been in Taiwan since 1963, and while the franchise is a meaningful contributor to the Group today, adding Citi Consumer Taiwan is game-changing for a number of reasons.

The transaction will accelerate DBS Taiwan’s growth by at least 10 years, making it Taiwan’s largest foreign bank by assets. The combined entity will have the largest credit cards balance, investment AUM, loan book and deposit base amongst foreign banks in Taiwan. This will provide synergies from economies of scale, including reduction of global and regional overheads. Citi Consumer Taiwan’s strong low-cost deposit base will also support the expansion of DBS Taiwan’s institutional and SME banking business.

By 2024, we expect these transactions to add some SGD 1.2 billion to 1.3 billion to our revenue base, and an incremental SGD 0.5 billion to our bottom line. They will strengthen our franchise, and position us well to ride the crest of a structurally rising Asia.

Q2: How will digital monies and decentralised finance affect the banking industry? How are you responding to them?

Let me parse the question of digital currencies into the following:

- Are we likely to see a continued reduction in notes and coins, replaced by tokens and tokens?

The answer to this is a clear yes. Digital money is not a new concept, whether it be through use of credit cards or via mobile transfers, as far back as ad circulating in circulation is digital.

- Will we see a lightening of the use of cash?

With the ubiquity of the mobile phone, it is clear that e-wallets and electronic transfers will increasingly proliferate.

- Are we likely to see privately issued digital coins (e.g. Bitcoin) take over the role of central bank money?

I believe this is probably no. The reason for this is that money needs to have three attributes: be a unit of account, a medium of exchange and a store of value. Privately-issued e-wallets fail one of these tests – find it hard to attain the first two of these. The reasons for this are several. These include a lack of liquidity, absence of faith in the “Issuer”, and large volatility in value, among others. While the technology used to issue these coins (blockchain) has developed very powerful, and does form a basis for creating immutability and transparency, the truth is that it will still be a while before the common man will universally accept this when it comes to regular, non-monetary transactions. I also expect that regulators (and politicians) will be loath to give up control of monetary policy and economic management tools, and will therefore be very circumspect about letting private money grow. Management thinks that private money (crypto) will continue to grow as a meaningful store of value, much like gold is today.

- Are we likely to see more Central Bank Digital Currencies (CBDCs) in that case?

I think this is a possibility, with 85% of central banks in the world currently studying and/or piloting CBDCs – so the direction of travel seems clear. However, my suspicion is that the use case for cross-border settlements will be more compelling than for local CBDCs. As it is, local CBDCs, central banks will wrestle with a critical question: to what extent do they want to disturb the architecture of the banking system, and its role in credit creation? And if they go down an “Intermediated” CBDC approach (i.e. the existing banking system for retail custody of retail CBDC wallets), they will achieve meaningful improvement over existing banking solutions.

- Central banks are evaluating the potential impact of CBDCs on monetary policy, credit creation and availability, enabling greater financial inclusion, as well as the stability of the financial system. We continue to stay close to these developments by partnering with industry sandbox partners and experimenting with the technology.

Beyond digital currencies, another key innovation that blockchain technology has enabled is Decentralised Finance (DeFi), where tokenisation and the use of smart contracts allow peer-to-peer financial transactions without the need for intermediaries, based on self-governance by the DeFi community. The trend in the interaction of blockchain and construct of existing social and economic arrangements. I believe this creates several innovative space, of which three points stand out in my mind.

1. The programmability of smart contracts will allow us to reimagine economic processes such as payments to settlements, Anti-Money Laundering (AML) and Know Your Customer (KYC). This could dramatically change the structure of back-office operations by reducing costs and boosting overall efficiency and effectiveness.

2. There will be creation of new or modified roles in the alternate financial systems for existing intermediaries. In this regard, we can draw parallels to the creation of the mutual fund industry, which also involved intermediaries and wealth management. In the same way, I believe there will be an evolution of existing roles in the industry. There will also continue to be a role for client ownership and management of client experiences for banks.

3. The intent of DeFi is to democratise finance by replacing centralised institutions, including government bodies. In my view, this is unlikely to occur. Going down this path will require humanity to confront the intractable but important question around the roles of the nation state, and its responsibility for the safety and stability of the financial system. My belief is that the nation state will still be a critical organising principle and will not be diminished anytime soon.

We are keeping a firm pulse on these developments, and will continue to explore and experiment to identify new opportunities and revenue streams.

Q3: DBS is among the first 100 banks globally to have signed the Net-Zero Banking Alliance commitment. Are you confident of meeting this enormous commitment, and what are the steps taken so far?

We strongly believe that the climate crisis is one of the biggest challenges for mankind, and that it will take commitment and effort from all of us – individuals, governments and corporations – to find solutions that safeguard our planet and our future generations. At DBS, we have been engaged with this issue over the past few years, and have made steady progress with respect to our lending policies and our climate-related scenario analysis. However, we realise that private money (crypto) will continue to grow as a meaningful store of value, much like gold is today.

The first step was to get a better handle on the carbon footprint of our existing portfolio. While we have been reporting under the Task Force on Climate-Related Financial Disclosures (TCFD) for a few years, this has been based on a sample size of 300 to 400 customers, covering around 10% of our base. In the course of the last year, we have been able to extend coverage to close to 3,000 customers, now covering over a third of the base. We have also worked with external consultants to create quantitative models that better allow us to estimate the residual portfolio.

The second step was to get clearer understanding around possible transition pathways for different industries. In our modelling, we apply scenarios which are commonly used globally, such as those from the Network for Greening the Financial System (NGFS) or the International Energy Agency (IEA). To be fair, we still work in progress, and will undoubtedly have different textures by country. However, these pathways help guide us with respect to how much we would need to do by when.

The third step was to establish a taxonomy that precises categorises sustainable and transition activities by sector. We embedded this in our Sustainable and Transition Finance Framework (STF). STF enables our clients to better understand how we can guide our engagement with customers as we help them establish transition strategies to reduce growth of emissions and build resilience to climate change. All of our efforts have already resulted in significantly enhanced client engagement in the transition and our future ambitions.

For the year, we committed SGD 12.4 billion of sustainable financing, including SGD 6.3 billion of green loans. Cumulatively we have committed SGD 19.1 billion in sustainable financing over the last three years, making us a leader in Green and Sustainability Linked Loans. This has led to the evolution of investment banking through the creation of new roles in the industry. There will also continue to be a role for client ownership and management of client experiences for banks.

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"We reported record net profit of SGD 6.80 billion in 2021, restoring a trend of consecutively higher earnings that had been disrupted by the pandemic the previous year. Net profit was 44% higher in 2020 and 6% above the previous high in 2019. Return on equity was 12.5%."

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The results were achieved despite a further setback of SGD 1.0 billion in net interest income due to the sharp increase in the risk-free rate cut made by central banks in response to the pandemic. Together with a reduction of SGD 1.8 billion in 2020, net interest income was set back by SGD 2.8 billion compared to 2019. In addition, we had realised SGD 0.5 billion of exceptional investment gains in 2020 as a result of market opportunities, which were not available in 2021.

Two factors drove the record performance.

The first was business volume growth. Loans rose 9% in constant-currency terms, the fastest since 2014. The increase was broad-based across corporate, trade, housing and wealth management loans.

Asset quality turned out better than our least- stressed scenario. With new non-performing asset formation falling to pre-pandemic levels and offset by repayments of existing non-performing assets, non-performing assets declined 13% and the non-performing loan rate fell from 1.6% to 1.3%. Specific allowances fell by two-thirds to SGD 499 million or 12 basis points, below pre-pandemic levels. The quality of our performing loan portfolio improved from repayments of weaker exposures and trade receivables, and general allowances of SGD 447 million were written back.

Income rose 15% to a record SGD 3.52 billion as most fee activities grew. Treasury Markets income across corporate, trade, housing and wealth management activities including equities and credit trading, which began operations in the second half, was quick off the mark with five onshore China investment banking deals.

Treasury Markets trading income rose 5% to SGD 1.51 billion, while customer income grew 13% to SGD 1.71 billion. Both were at new highs. The growth was driven by the ongoing distribution of our digital platforms, better targeting of products to customers from data analytics and mining, and improved management of trading positions from algorithms.

Net fee income rose 15% to SGD 3.52 billion. Notably, the first three-quarters of the year were the three highest on record; fee income was seasonally low in the fourth quarter. Both cyclical and structural factors contributed to this.

Wealth management fees increased 15% to a record SGD 1.79 billion. While low interest rates and an improving economic outlook created a conducive environment, the growth was also due to business initiatives we undertook. We expanded our reach to the retail segment, which now accounted 15-20% of investment product and bancassurance income. Our digital platforms enabled customers to carry out transactions when face-to-face activity was restricted by lockdowns, sparking a longer-term shift to digital transactions because of the ease of use and instantaneous completion. The increased customer engagement has resulted in a higher wallet share for us. Finally, annuity products such as our discretionary portfolio service have provided new sources of income that are recurring.

Card fees increased 12% to SGD 715 million as combined credit and debit card spending reached record levels even as travel spending remained subdued.

Transaction service fees grew 13% to SGD 925 million, also a new high. Cash management fees were boosted by the convenience and speed of our digital platforms. Additional fees have been added to our culture of working hand-in-hand with customers to devise solutions for their specific needs. Trade fees grew from higher regional trade volumes and supply chain financing.

Investment banking fees rose 47% to SGD 118 million. Fixed income market contributed a new high with strong issuances in a low interest rate environment. Sustainable transactions were a focus in 2021, with SGD 2.0 billion of green bonds and SGD 0.7 billion of sustainability-linked medals.

By business unit, Consumer Banking/Wealth Management income declined 8% to SGD 5.32 billion. The impact of lower interest rates was moderated by higher income from loan and deposit growth, investment products, bancassurance and wealth management fees. Investment income rose 4% to SGD 5.98 billion as the impact of lower interest rates was offset by a higher dividend growth and higher interest income including customer sales and capital market activities. Treasury Markets income increased 6% to SGD 1.51 billion, double the level three to four years before, from higher contributions in a range of activities including the primary market.

By region, Singapore income was impacted by lower interest rates and fell 4% to SGD 0.96 billion. Non-interest income, usually the broadest of all income sources, was down 7% to SGD 1.45 billion due to lower trading income.

By business, General Banking income fell 9% to SGD 2.1 billion, but was at a new peak. Non-interest income increased 9% to SGD 1.1 billion, of which two-thirds from Singapore in the second half. Base salary increments were carried out at mid-year (instead of the usual beginning of the year) as business recovery had taken hold. Investments for future growth were also stepped up. These cost increases were moderated by lower occupancy costs, which fell as we began rationalising our office space with the implementation of flexible work arrangements since end-2020. The cost income ratio was 49%.

Asset quality improves

Asset quality turned out better than we expected at the beginning of the year, when Covid-19 infections were still surging in many parts of the world. Uncertainty about how long existing government measures would perform, we had guided for total allowances of SGD 1 billion for the year. Credit quality remained benign as the year progressed, and credit costs came in well below initial guidance.

At end-2021, loans under moratorium declined to SGD 0.4 billion from SGD 1.3 billion the year before. Full-year new non-performing asset formation fell to pre-pandemic levels. Repayments of existing non-performing assets increased, including record payments from corporate and service exposures that exceeded their written-down values as well as the full repayment of a large exposure in the fourth quarter. As a result, total non-performing assets fell 19% to SGD 5.83 billion, and the non-performing loan rate improved from 1.6% to 1.3%. Specific allowances fell two-thirds to SGD 159 million, below pre-pandemic levels.

At the same time, the quality of the performing loan portfolio improved, underpinned by stronger economic conditions. Repayment of weaker exposures, credit upgrades as well as transfers to non-performing assets resulted in a 17% reduction in non-performing assets to SGD 477 million. The write-backs did not touch general allowance balances built up in previous years, which were fully maintained.

With the decline in specific allowances and write-back of general allowances, total allowances ended the year expected at the beginning of the year, when Covid-19 infections were still surging in many parts of the world. Uncertainty about how long existing government measures would perform, we had guided for total allowances of SGD 1 billion for the year. Credit quality remained benign as the year progressed, and credit costs came in well below initial guidance.

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One-time items
Two one-time items were recorded for the year. There was a gain of SGD 104 million on completion of the SRECB transaction. There was also a contribution of SGD 150 million to the DBS Foundation and other charitable causes. We had previously set aside SGD 50 million in 2013 to establish the Foundation to further our commitment to social and community development.

Capital ratios remain strong
Our Common Equity Tier 1 (CET-1) ratio rose from 13.9% to 14.4% as profit accretion outpaced risk-weighted asset growth. The leverage ratio of 6.7% was more than twice the regulatory requirement of 3%.

Two events subsequent to 31 December 2021 had an impact on the CET-1 ratio. The acquisition of Citigroup’s TAIWAN consumer banking business, which was announced on 28 January 2022, had an impact of 0.7 percentage points. An operational risk penalty imposed in February 2022 due to the two-day digital disruption in November 2021 had an impact of 0.4 percentage points. On the conservative assumption that the penalty is not lifted before the consolidation of the Taiwan business, and assuming no capital accretion, the CET-1 would be at 13.3%, which is at the upper end of our target operating range.

Superior total shareholder returns
We delivered total shareholder returns of 35%, comprising share price gains and the dividend for the calendar year.

Our share price rose 30%, outperforming the Straits Times Index as well as other financial sector shares on S SP. For the calendar year, we paid out a dividend of SGD 1.32 per share. For fourth-quarter 2020 and first-quarter 2021, we paid out 18 cents per share in line with an earlier guidance from MAS for banks to moderate their dividend. With the lifting of the restrictions, we reverted to our pre-pandemic payout of SGD 33 cents per share for the remaining two calendar quarters.

Outlook – cyclical factors structurally boosted by new growth engines
Over the past year or so, we made several acquisitions to expand our franchise in growth markets. LV=, which was amalgamated in November 2020, provides us with an enlarged footprint and significantly scales up our retail and SME customer base in India, particularly in the South. We have also expanded our business and cultural ties with Southeast Asia. To position ourselves to capture two-way deal flows as China’s financial markets open further, we launched DBS Securities (China) Limited, a joint venture securities company, in June 2021. Our acquisition of a 13.6% stake in SRECB, which was completed in October 2021, deepens our exposure in the Greater Bay Area. And our purchase of Citigroup’s prized Taiwan consumer banking franchise in January 2022 accelerates our growth in that market by more than ten years, provides us with a solid Casa deposit base and provides us to biggest foreign bank.

At the same time, we developed new digital assets to harness the benefits of emerging technologies. The DBS Digital Exchange offers trading, custody and clearing services for digital assets. Partner is a blockchain-based platform for the real-time settlement of cross-border interbank payments and aims to overcome inefficiencies in current practices. Climate Impact X is a global exchange and marketplace for high-quality carbon credits. We housed these platforms in a holding company, DBS Filmonix, to enhance transparency and better enable their future monetisation.

These new engines will provide a structural boost to our growth prospects in addition to the positive cyclical factors during the coming year. While there are risks from a US financial market sell-off and a slowdown in China, economic activity continues to pick up and borders are progressively re-opening.

We enter 2022 with healthy business pipelines. At time of writing, we are expecting loans to grow by better than mid-single-digit and fee income to grow by double-digit percentage terms. In addition, expected interest rate increases will progressively boost our earnings over time. We will continue to exercise cost discipline while investing for the future. Asset quality, which improved over the past year, is expected to remain resilient and total allowances to remain low. There are potential asset quality risks in the SME portfolio from rising interest rates, but we have repeatedly stressed-tested the portfolio and it is largely secured. With a broad-based franchise that has been augmented by new growth engines, proven resilience in execution, a prudently managed balance sheet and cyclical tailwinds, we expect to deliver further earnings growth and shareholder returns in the coming year.

Cheng Sok Hui
Chief Financial Officer
DBS Group Holdings

(A) Digitalisation
We continued to progress our digital transformation agenda for the Consumer and SME businesses in Singapore and Hong Kong. In 2021, we progressively tightened the qualifying criteria for digital customers to reflect our drive towards deeper digital engagement with customers. To be considered digital, a customer now needed to have performed at least 75% of their financial or non-financial transactions using digital channels on a rolling 12-month basis, compared with 50% previously. The change did not materially impact the comparability of 2021 metrics with those reported for previous years.

The proportion of digital customers rose to 58% in 2021, an increase of six percentage points compared with the pre-Covid year 2019. This reflected an accelerated pace of digital adoption over the Covid period as the digital customer base grew 0.5 million to 3.8 million through conversion of traditional customers and new customer acquisition. The higher profitability and greater resilience of the digital segment became even more apparent in 2021, when the full impact of interest rate cuts made in March 2020 were acutely felt by the Singapore and Hong Kong commercial and SME businesses.

Cost-income ratio (%) Overall Consumer and SME (Singapore, Hong Kong)

Digital (D) vs Traditional (T)
Reported cost-income ratio

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CFO statement
23
(B) Business unit performance

Consumer Banking/Wealth Management total income declined 8% to SGD 5.32 billion. The impact of lower interest rates was moderated by higher income from loan and deposit growth as well as wealth management and card fees. Expenses increased 2% to SGD 3.65 billion. Total allowances fell to SGD 46 million from lower specific allowances and a general allowance write back.

Institutional Banking income rose 4% to SGD 5.98 billion as higher income from loans and deposits, treasury customer activities and capital markets offset the impact of lower interest rates. Expenses increased 5% to SGD 2.12 billion. Total allowances fell to SGD 56 million from lower specific allowances and a general allowance write back.

Treasury Markets income increased 5% to a record SGD 1.51 billion due to higher contributions from credit and equity derivatives activities. Expenses rose 2% to SGD 647 million. The Others segment encompasses the results of corporate decisions that are not attributed to business segments as well as the contribution of LVB as its activities have not been aligned with the Group’s segment definitions. The segment includes earnings on capital deployed into high quality assets, earnings from non-core asset sales and certain other head office items such as centrally raised allowances. Total income fell 10% to SGD 1.48 billion due to lower gains on investment securities managed by Corporate Treasury. Total allowances of SGD 130 million were written back due to a general allowance write back.

(C) Net interest income

Net interest income declined 7% to SGD 8.44 billion. Net interest margin fell 17 basis points to 1.45% as benchmark interest rates used for pricing loans remained low and from an increased deployment of surplus deposits at lower yields.

In constant-currency terms, gross loans rose 9% or SGD 34 billion to SGD 415 billion. The increase was led by an 8% or SGD 18 billion increase in non-trade corporate loans led by Singapore and Greater China customers. Trade loans rose 10% or SGD 4 billion. Consumer loans rose 9% or SGD 10 billion from growth in wealth management and housing loans.

In constant-currency terms, deposits rose by 7% or SGD 32 billion to SGD 502 billion. Casa deposits grew SGD 41 billion, enabling more expensive fixed deposits to be let go. As a result, the Casa ratio rose from 73% to 76%. Our market share of total SGD deposits was maintained.

<table>
<thead>
<tr>
<th>(SGD million)</th>
<th>Consumer Banking/Wealth Management</th>
<th>Institutional Banking</th>
<th>Treasury Markets</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2021</td>
<td>Net interest income</td>
<td>2,548</td>
<td>3,999</td>
<td>783</td>
<td>1,110</td>
</tr>
<tr>
<td></td>
<td>Net fee and commission income</td>
<td>2,186</td>
<td>1,282</td>
<td>-</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>Other non-interest income</td>
<td>588</td>
<td>703</td>
<td>726</td>
<td>316</td>
</tr>
<tr>
<td></td>
<td>Total income</td>
<td>5,322</td>
<td>5,984</td>
<td>1,509</td>
<td>1,482</td>
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<tr>
<td></td>
<td>Expenses</td>
<td>3,353</td>
<td>2,086</td>
<td>647</td>
<td>383</td>
</tr>
<tr>
<td></td>
<td>Total allowances</td>
<td>96</td>
<td>141</td>
<td>(3)</td>
<td>(138)</td>
</tr>
<tr>
<td></td>
<td>Profits before tax</td>
<td>1,923</td>
<td>3,757</td>
<td>867</td>
<td>1,229</td>
</tr>
<tr>
<td>Year 2020</td>
<td>Net interest income</td>
<td>3,319</td>
<td>3,995</td>
<td>840</td>
<td>902</td>
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<tr>
<td></td>
<td>Net fee and commission income</td>
<td>1,860</td>
<td>1,160</td>
<td>-</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Other non-interest income</td>
<td>559</td>
<td>590</td>
<td>596</td>
<td>713</td>
</tr>
<tr>
<td></td>
<td>Total income</td>
<td>5,767</td>
<td>5,745</td>
<td>1,436</td>
<td>1,644</td>
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<tr>
<td></td>
<td>Expenses</td>
<td>3,288</td>
<td>1,987</td>
<td>634</td>
<td>249</td>
</tr>
<tr>
<td></td>
<td>Total allowances</td>
<td>456</td>
<td>1,485</td>
<td>14</td>
<td>1,111</td>
</tr>
<tr>
<td></td>
<td>Profits before tax</td>
<td>2,023</td>
<td>2,273</td>
<td>788</td>
<td>284</td>
</tr>
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</table>

(1) Excluding one-time items

Net interest income – NIM

<table>
<thead>
<tr>
<th>Net interest income (SGD million)</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest margin (%)</td>
<td>1.62</td>
<td>1.45</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>1.86</td>
<td>1.53</td>
</tr>
<tr>
<td>Other non-interest income</td>
<td>1.49</td>
<td>1.49</td>
</tr>
<tr>
<td>Total allowances</td>
<td>1.43</td>
<td>1.43</td>
</tr>
</tbody>
</table>

Gross loans (SGD billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Others</th>
<th>CBG/ WM</th>
<th>Other IBG</th>
<th>Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>415</td>
<td>124</td>
<td>241</td>
<td>45</td>
</tr>
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</table>

Constant-currency change

<table>
<thead>
<tr>
<th>Year</th>
<th>Deposits (SGD billion)</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>502</td>
<td>121</td>
<td>502</td>
</tr>
</tbody>
</table>

Ratios (%)

<table>
<thead>
<tr>
<th>Ratio</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casa total deposits</td>
<td>73</td>
<td>76</td>
</tr>
<tr>
<td>LDR</td>
<td>80</td>
<td>81</td>
</tr>
<tr>
<td>LCR</td>
<td>136</td>
<td>135</td>
</tr>
<tr>
<td>NSFR</td>
<td>125</td>
<td>123</td>
</tr>
</tbody>
</table>
income both rose to new highs. Non-interest income and treasury customer record SGD 1.79 billion as Treasury Markets million while trading income rose 27% to a investment securities fell 60% to SGD 387 market opportunities a year ago. Gains on by lower investment gains due to favourable Other non-interest income fell 5% to SGD 2.33 billion as record trading income was offset Other non-interest income fell 5% to SGD 2.33 billion as record trading income was offset by lower investment gains due to favourable market opportunities a year ago. Gains on investment securities fell 60% to SGD 387 million while trading income rose 27% to a record SGD 1.79 billion as Treasury Markets non-interest income and treasury customer income both rose to new highs.

![Graph of Non-interest income]

**Non-interest income**

<table>
<thead>
<tr>
<th>(SGD million)</th>
<th>2021</th>
<th>2020</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment banking</td>
<td>218</td>
<td>148</td>
<td>47</td>
</tr>
<tr>
<td>Transaction services</td>
<td>925</td>
<td>821</td>
<td>13</td>
</tr>
<tr>
<td>Loan-related</td>
<td>413</td>
<td>417</td>
<td>(1)</td>
</tr>
<tr>
<td>Cards</td>
<td>715</td>
<td>641</td>
<td>12</td>
</tr>
<tr>
<td>Wealth management</td>
<td>1,786</td>
<td>1,506</td>
<td>19</td>
</tr>
<tr>
<td>Fee and commission income</td>
<td>4,057</td>
<td>3,533</td>
<td>15</td>
</tr>
<tr>
<td>Less: Fee and commission expense</td>
<td>533</td>
<td>475</td>
<td>12</td>
</tr>
<tr>
<td>Total net fee and commission income</td>
<td>3,524</td>
<td>3,058</td>
<td>15</td>
</tr>
</tbody>
</table>

**Other non-interest income**

<table>
<thead>
<tr>
<th>(SGD million)</th>
<th>2021</th>
<th>2020</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net trading income</td>
<td>1,791</td>
<td>1,405</td>
<td>27</td>
</tr>
<tr>
<td>Net income from investment securities</td>
<td>387</td>
<td>963</td>
<td>(60)</td>
</tr>
<tr>
<td>Others (including rental income, share of profits of associates, and gain on fixed assets)</td>
<td>155</td>
<td>90</td>
<td>72</td>
</tr>
<tr>
<td>Total</td>
<td>2,333</td>
<td>2,458</td>
<td>(5)</td>
</tr>
</tbody>
</table>

(1) The institutional and retail brokerage fees previously presented under brokerage line have been reclassified to transaction services and wealth management lines respectively. Prior year’s comparatives have been restated to conform with current year’s presentation.

(2) Excluding one-time item.

**Expenditures**

Expenditures were 5% higher at SGD 6.47 billion. Excluding the amalgamation of LVB and the previous year’s government grants, underlying expenses were up by 1%. Staff costs rose from the impact of base salary increments in the second half. Investments for future growth were also stepped up. These cost increases were moderated by lower occupancy costs from the rationalising of office space with the implementation of flexible work policies. The cost-income ratio was 45%.

![Graph of Expenses]

**Expenses (SGD million)**

<table>
<thead>
<tr>
<th>Expenses (SGD million)</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff expenses</td>
<td>1,786</td>
<td>1,687</td>
</tr>
<tr>
<td>Other expenses</td>
<td>2,598</td>
<td>2,594</td>
</tr>
<tr>
<td>Total</td>
<td>4,384</td>
<td>4,281</td>
</tr>
</tbody>
</table>

**Asset quality and allowances**

New non-performing asset formation fell to pre-pandemic levels as asset quality turned out better than expected. After repayments and write-offs, NPA fell 11% to SGD 5.85 billion and the NPL rate improved to 1.3% from 1.6% a year ago. Specific allowances fell two-thirds to SGD 499 million or 12 basis points of loans, below pre-pandemic levels.

Repayments of weaker exposures, credit upgrades as well as transfers to NPA resulted in a general allowance write-back of SGD 447 million. The write-backs did not touch general allowance overlays built up in previous years, which were fully maintained. With the decline of specific allowances and write-back of general allowances, total allowances amounted to SGD 52 million for the year.

Allowance reserves continued to be high. General allowance reserves amounted to SGD 3.88 billion, which were SGD 0.4 billion above the MAS requirement and SGD 1.1 billion above Tier 2 eligibility. Together with specific allowance reserves, total allowance reserves amounted to SGD 6.80 billion. Allowance coverage of non-performing assets was at 116% and at 214% when collateral was considered.

![Graph of Asset quality and allowances]

**Asset quality and allowances (SGD million)**

<table>
<thead>
<tr>
<th>NPAs at start of period</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBG and others</td>
<td>6,686</td>
<td>5,773</td>
</tr>
<tr>
<td>New NPLs</td>
<td>1,006</td>
<td>1,945</td>
</tr>
<tr>
<td>Upgrades, settlements and recoveries</td>
<td>(1,345)</td>
<td>(1,345)</td>
</tr>
<tr>
<td>Write-offs</td>
<td>(533)</td>
<td>(570)</td>
</tr>
<tr>
<td>CBG/ WM</td>
<td>(47)</td>
<td>(24)</td>
</tr>
<tr>
<td>NPAs at end of period</td>
<td>5,849</td>
<td>6,474</td>
</tr>
<tr>
<td>Amalgamation of LVB</td>
<td>–</td>
<td>212</td>
</tr>
<tr>
<td>Total NPAs</td>
<td>5,849</td>
<td>6,686</td>
</tr>
<tr>
<td>NPL ratio (%)</td>
<td>1.3</td>
<td>1.6</td>
</tr>
<tr>
<td>SP/ Loans (bp)</td>
<td>12</td>
<td>31</td>
</tr>
<tr>
<td>Cumulative general and specific allowances as % of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPA</td>
<td>116</td>
<td>110</td>
</tr>
<tr>
<td>Unsecured NPA</td>
<td>214</td>
<td>206</td>
</tr>
</tbody>
</table>
Our 2021 Priorities

We use a balanced scorecard approach to measure how successfully we are serving stakeholders and executing our long-term strategy. Our scorecard, which is based on our strategy, is used to set objectives, drive behaviours, measure performance and determine the remuneration of our people, making it a living tool.

Traditional Key Performance Indicators (40%)

| Shareholders | Position DBS as bank of choice
| Customer satisfaction | Achieve sustainable growth
| Measure financial outcomes and risk-related KPIs to ensure that growth is balanced against the level of risk taken, including compliance and control.
| Read more about this on page 28. |

| Customers | Position DBS as employer of choice
| Scale and drive value across the Group with strategic expansion and segment strategies.
| Read more about this on page 32. |

| Employees | Position DBS as employer of choice
| Measure progress in customer satisfaction, depth of customer relationships and strength of brand positioning.
| Read more about this on page 29. |

| Areas of focus (39%) | Transform the Bank - Make Banking Joyful (21%)
| Transforming towards managing through customer journeys
| Build journey architecture to support managing through journeys (MtJ)
| Measure the progress in implementing data-driven operating models (DDOM) and horizontal organisations (HO) to deliver differentiated customer experiences and superior outcomes.
| Read more about this on page 32. |

| Transform the way we work | Deliver differentiated customer experiences and superior outcomes
| Measure the progress in implementing data-driven operating models (DDOM) and horizontal organisations (HO) to deliver differentiated customer experiences and superior outcomes including improved financials as well as digital customer acquisition, transactions and engagement.
| Read more about this on page 32. |

| Igniting new opportunities | Explore new income streams and opportunities for growth by leveraging our digital capabilities and emerging technology trends.
| Read more about this on page 32. |

| Building a sustainable franchise | Strengthen our risk and compliance framework and champion efforts in responsible banking, responsible business practices and impact beyond banking.
| Read more about this on page 33. |

| Traditional KPIs |
| KPI/ Target | Outcome |
| Shareholders | Deliver consistent income growth |
| Income dipped slightly by 2% to SGD 14.3 billion as strong business momentum mitigated the impact of lower interest rates and a decline in investment gains from a high base. Loan growth of 9% was the highest in seven years, while fee income and Treasury Markets income rose to record levels. |
| Cost/ Income (%) | 43 44 43 42 40 |
| 2021 2019 2018 2017 2020 |

| Customers | Achieve broad-based increase in customer satisfaction across markets and segments
| For Asia-based large corporates, we improved our position from 5th to 2nd for market penetration across our core markets. We also ranked first for Global Best Service Overall in the Euromoney Cash Management Survey 2021 (Non-Financial Institutions) for the fourth consecutive year.
| Customer engagement score (1)
| As of 2020, we had a customer satisfaction score of 4.22 and 4.27 for the Consumer Banking and Consumer Management businesses, respectively. |
| CES for Wealth Management | 4.22 4.27 |
| CES for Consumer Banking | 4.31 4.27 |
| CES for SME Banking | 4.32 4.41 |

| Customer Satisfaction Index of Singapore, jointly developed by the Institute of Service Excellence at Singapore Management University and the Singapore Workforce Development Agency. |

| Industry rankings |
| CSISG (2) | Financial and Insurance Sector ratings |
| 75.6 73.8 |
| 2021 2020 |

(1) Scale: 1 = worst and 5 = best, based on Customer Satisfaction Survey (CSS) conducted by Aon Hewitt, Ipsos and Quadrant for Wealth Management; and Ipsos and Quadrant for Consumer Banking. Based on Aon Hewitt for SME Banking and Greenwich Associates for large corporates market penetration rankings.

(2) Customer Satisfaction Index of Singapore, jointly developed by the Institute of Service Excellence at Singapore Management University and the Singapore Workforce Development Agency.
### Traditional KPIs

<table>
<thead>
<tr>
<th>Customers</th>
<th>Deepen wallet share of individual and corporate customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI/Target</td>
<td>Outcome</td>
</tr>
<tr>
<td>IBG non-loan income ratio fell to 43%, reflecting the impact of lower global interest rates on IBG deposit income, which was partly offset by an increase in non-interest income from treasury customer sales and capital market activities.</td>
<td></td>
</tr>
<tr>
<td>CBG non-interest income ratio increased by 10 percentage points to 52%, benefitting from higher income from investment products, bancassurance, and cards.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th>Maintain employee engagement levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI/Target</td>
<td>Outcome</td>
</tr>
<tr>
<td>Our employees remain highly engaged despite the prolonged pandemic. We improved our ranking from the 87th percentile in 2020 to the 91st percentile in the 2021 Kincentric My Voice Survey across a global benchmark, with an improvement in the employee engagement score to 86%. Dimensions with notable improvements include survey follow-up, enabling productivity and manager effectiveness. We were named Kincentric Best Employer for the sixth time in Singapore and across Asia Pacific, and were certified as Best Employer in nine other markets. We were also recognised in Kincentric’s inaugural Special Recognition Award for Diversity, Equity and Inclusion best practices. In the coming years, we will continue to improve on the dimensions of survey follow-up, talent and staffing, as well as rewards and recognition where we currently lag when benchmarked against Kincentric’s Best Employers in Asia Pacific.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mobility: internal mobility rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI/Target</td>
</tr>
<tr>
<td>7.2</td>
</tr>
<tr>
<td>2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Turnover (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI/Target</td>
</tr>
<tr>
<td>2017</td>
</tr>
</tbody>
</table>

### Transform the Bank – Make Banking Joyful

<table>
<thead>
<tr>
<th>KPI/Target</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transforming towards managing through journeys (MQ)</td>
<td>Build journey architecture to support new way of managing through journeys</td>
</tr>
</tbody>
</table>

We developed and implemented DDOM and MQ playbooks for MQ. We scaled training across MQ elements for all teams and received positive ratings of 4.5 out of 5, and 9 out of 10 for the playbooks and training respectively. Critical customer journeys including credit cards, consumer finance, wealth management, supply chain, and transactional foreign exchange services were re-architected for MQ. We successfully rolled out MQs for 24 customer journeys across all six core markets. We created HOs comprising cross-functional teams with joint accountability for crucial business priorities to break silo-thinking. In addition, we designed DDOMs to identify outcome drivers, leverage AI/ML, and ensure continuous improvement through iterative experimentation. We made good progress in the first year of a multi-year journey, and will continue to sustain the change and improve our journey architecture over the next few years. |

| Deliver differentiated customer experiences and superior outcomes |
|-------------------------|-----|-----|
| KPI/Target | Outcome |
| My Voice employee engagement score (%) | |
| 82 | 86 |
| 2017 | 2021 |

<table>
<thead>
<tr>
<th>Turnover (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
</tr>
<tr>
<td>2017</td>
</tr>
</tbody>
</table>

### Digital Acquisition Channel Share 2021

| Credit Card | 75% | 88% |
| Consumer Finance (Unsecured Loans) | 54% | 78% |
| Wealth | 45% | 57% |

<table>
<thead>
<tr>
<th>Credit Card Share</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Acquisition Channel Share</td>
<td>75%</td>
<td>88%</td>
</tr>
</tbody>
</table>

Our efforts to accelerate customer origination, acquisition, lending, and servicing of open account trade along global supply chains through anchor and platform-led channels contributed to strong customer satisfaction scores and robust growth in relevant assets by 79% and income by 59%. Digital transactions such as supplier payment services saw a healthy uplift across Singapore, Hong Kong, and Taiwan, as well as record customer satisfaction scores in Hong Kong and Taiwan.

Our market activities.

Our Treasury Markets and Global Transaction Services businesses collaborated to design a seamless customer journey for transactional foreign exchange. By focusing on integrating customer journeys across our digital channels for payments and trade in foreign currency transactions, we saw foreign exchange revenues from digital channels rise by 22% in all core markets and received a strong customer satisfaction score of 4.34 out of 5.

Read more about this in the Letter from the Chairman and CEO on pages 10 to 11.

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#### DBS Annual Report 2021 | New Initiatives, New Growth

| Our 2021 priorities | 30 |

| DBS Annual Report 2021 | New Initiatives, New Growth

| Our 2021 priorities | 31 |
## KPI/Target | Outcome
---|---
**Transform the way we work**  
Drive transformation through greater adoption of an Agile and DDOM approach, improve employee journeys while maintaining productivity under a work-from-home model, and broaden practices of transformational leadership. | The ongoing pandemic has accelerated our transformation of the way we work, manage and engage our employees, and develop the leadership skills of our managers to build great teams. We leveraged our technological capabilities to design processes and build security controls to enable remote working. As a result, more than 89% of our employees expressed confidence in the new way of working and felt adequately supported to embrace hybrid working. We delivered improvements in essential employee journeys such as default open remote access, IT and business application support and client engagement. Our Enabling Productivity scores in the annual MyVoice survey improved three percentage points to 84%, and negative feedback fell significantly. Support units such as HR, Finance, Risk, Legal & Compliance and Audit adopted agile methodologies and data-driven operating models. We built data control towers and AI/ML models to enhance effectiveness and improve decision-making. For example, our Audit team adopted the continuous monitoring approach, which enabled the team to identify and address risks and gaps in a more timely fashion. To further embed transformational leadership across the organisation, we conducted 100 team leadership workshops to build great leaders and great teams. We made strong progress in creating a work culture embedded in a growth mindset across the bank, increasing collaboration across teams, and improving managerial effectiveness. We continued to inculcate a culture of active feedback, with employee feedback doubling to over 120,000 (of which 50,000 were developmental feedback) from 2020. Over 3,000 employees were upskilled/ reskilled in line with changing business needs.  

**Industrialise use of AI/ML and innovate at scale with continued investments in next-generation technology**  
As we progress towards becoming a technology company, we continue to invest in our technology, engineering, data AI and innovation capabilities. We further strengthened our data platforms through improvements in data ingestion, discoverability, and system stability. We fully deployed ALAN, a single AI/ML platform that enables data and models reusability whilst ensuring 100% of use cases and models are compliant with our PII(5) and AI governance frameworks. We accelerated our move to a hybrid multi-cloud infrastructure and drove site-reliability engineering transformation through staff up-skilling. These investments drove economic value from AI and enabled the launch of new blockchain-based businesses. DBS is the first bank in Singapore to be certified with the Data Protection Trustmark (DPTM) by Singapore Infocomm Media Development Authority. We continue to be re-certified with the DPTM, underscoring our responsible data protection practices. **Read more about this in the Letter from the Chairman and CEO on pages 8 to 11 and CIO Statement on pages 36 to 37.**  

**Scaling our Businesses**  
Scale and drive value across existing businesses within the Group  
Our Hong Kong digibank outperformed, with a more than five times increase in customer acquisition, as well as over four times growth in revenue and assets under management (AUM). However, our India and Indonesia digibanks remained impacted by the pandemic. We continued to sharpen our focus on cost management and target the emerging affluent customer segment in India and Indonesia.  
We further entrenched our digital bank leadership in Singapore through deeper integration of the online customer experience across digital tools. The launch of our companion app strategy between digibank and PayLah! helped increase the number of PayLah! users to 2.2 million, and contributed to a 69% growth in PayLah! transactions. We integrated SGFinDex(4) in our digital financial planning tool, DBS NAV Planner, enabling customers to gain a consolidated view of their financial health. Monthly active users on DBS NAV Planner increased by 56% and digitally-managed investment sales volumes grew by 52%. Meaningful progress was made in our SME repositioning strategies to drive productivity and financial performance in Indonesia, Taiwan, and Hong Kong. In the financial institutions business, the strategy to expand our target markets was executed well and generated strong momentum. We launched DBS Securities in China, offering an extensive suite of investment banking services. We had noteworthy early successes for IPOs on local exchanges and cross-border referrals for capital and debt market deals. To accelerate our expansion in the Greater Bay Area, we acquired a 13% stake in Shenzhen Rural Commercial Bank. **Read more about this in the Letter from the Chairman and CEO on pages 8 to 11 and Head of Consumer Banking/Wealth Management Statement on pages 48 to 49.**  

**Igniting new opportunities**  
Explore new income streams and opportunities for growth by Integrating LVB and leveraging our digital capabilities and emerging technology trends. **Despite the pandemic, we made good progress in integrating Lakshmi Vilas Bank (LVB) into our India franchise with strong deposits growth. Based on a dipstick survey on LVB employees, 34% were positive about the amalgamation of LVB with DBS India. An inaugural customer satisfaction survey post-amalgamation also showed high customer satisfaction levels, with a score of 4.41 on a scale of 5.**  
We continued to invest in several opportunities to unlock potential business value and experiment with game-changing new technologies through new ventures such as DDBX, Parrot and OX. We also expanded our product offerings through new platforms such as DBS Fixed Income Execution (FIX) Marketplace, Muzinich Asia Pacific (APAC) Private Debt I and Evolution Debt Capital. **Read more about this in the Letter from the Chairman and CEO on pages 8 to 11 and the Head of Institutional Banking Statement on pages 38 and 39.**  

**Building a sustainable franchise**  
Strengthen our risk and compliance framework and champion efforts in responsible banking, responsible business practices, and impact beyond banking. **We improved our anti-money laundering (AML) risk and fraud risk management through boosting our data analytics capabilities and upskilling analysts at our transaction surveillance unit. This led to higher quality risk decisions. We enhanced our CBG fraud surveillance tools and processes, and conducted joint investigations with the authorities. This reduced total potential gross loss by our customers and increased enforcement actions against scammers. In 2021, we strengthened our three sustainability pillars of responsible banking, responsible business practices, and impact beyond banking. In particular, we developed concrete plans to reinforce our ongoing efforts to combat climate change. We signed up to the United Nations-convened Net-Zero Banking Alliance and committed to align our lending and investment portfolios with net zero emissions by 2050. We have also raised our sustainable finance target to SGD 50 billion by 2024 and committed to phasing out thermal coal exposures by 2039. Our sustainable financing(5) transaction volumes doubled last year to SGD 20.5 billion, of which sustainable-linked loans tripled to SGD 12.4 billion. In recognition of our market leadership, we ranked first as Mandated Lead Arranger for green and sustainability-linked loans in Debtwire’s Loans League Table. In Singapore, we launched the LiveBetter platform for all digibank customers. This is a first-in-market solution offering sustainability-themed funds and eco-friendly tips, as well as options to donate to local green causes. In the two months following the platform’s launch in end-October 2021, over 100,000 customers visited the LiveBetter site. We continued our drive towards Zero Food Waste, reducing more than 600,000 kg of food impact, three times that in the previous year, through raising awareness and redistributing excess food that would have gone to waste. Amid pandemic restrictions, our employees focused on virtual and remote volunteering, achieving more than 110,000 volunteer hours, our highest ever. Our efforts to be a force for good have garnered several top awards for sustainability, including the Singapore President’s Award for the Environment and many others from global publications such as FinancialTimes, Global Finance, and TheAsset.** **Read more about this in the CEO statement on pages 24 to 25 and Sustainability Report.**  

**Sustainable financing companies**  
- Sustainability-linked loans: Loans that are structured to enable customers to pay variable interest depending on achievement of a set of pre-agreed ESG performance targets which are validated by an independent ESG rating agency or verification party.  
- Green loans: Loans made exclusively to finance eligible green projects in energy efficiency, pollution prevention and others  
- Renewable and clean energy loans: Loans made to finance renewable and clean energy projects such as solar, wind and others  
- Sustainable Loans: Loans made exclusively to finance eligible social projects for affordable housing for target populations, access to basic services and others  
- FinancialTimes: Best Sustainable Bank (Singapore); Global Finance: Outstanding Leadership in Resource Management; Outstanding Leadership in Sustainable Project Finance, Outstanding Leadership in Green Bonds; The Asset: Best Social Impact Adviser, Best ESG Transaction Bank (Asia-Pacific)  

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(4) SGFinDex allows individuals in Singapore to use a national digital identity and centrally managed online consent system to access, through applications, their financial information held across different government agencies and financial institutions.

(5) Purposeful, Unapologetic, Respectful and Explainable
Top and emerging risks

The Board and senior management drive a robust process to identify and monitor our top and emerging risks.

In 2021, credit risk continued to be the top risk we focused on. We closely monitored our customers exiting from Covid-19 debt relief programmes or spanning in vulnerable industries such as hospitality and aviation. No material adverse impact for any specific customer segments was identified. The global economy grew but at an uneven pace across countries due to differing vaccination rates and supply chain disruptions arising across countries due to differing vaccination rates.

As many of our customers exited from Covid-19 debt relief programmes and new challenges such as the global chip shortage, we continued to monitor the potential distress and impacts on our business. In November 2021, we encountered a two-day digital disruption in Singapore. In relation to this incident, management initiated remedial measures to improve the resilience of our services and incident response, with due consideration given to regulatory requirements and expectations.

Credit risk and portfolio management

The credit risk in our institutional banking portfolio continued to be manageable. A total amount of loan moratoriums in Singapore ended during the year, with low delinquency rates obtained. In Hong Kong, while loan moratoriums have been extended into 2022, credit loss is expected to be minimal given the low extension take-up rate. Our loans under moratorium declined from SGD 5 billion at the beginning of 2021 to less than SGD 0.5 billion by the end of 2021.

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The credit risk in our institutional banking portfolio continued to be manageable. A total amount of loan moratoriums in Singapore ended during the year, with low delinquency rates obtained. In Hong Kong, while loan moratoriums have been extended into 2022, credit loss is expected to be minimal given the low extension take-up rate. Our loans under moratorium declined from SGD 5 billion at the beginning of 2021 to less than SGD 0.5 billion by the end of 2021.

Top and emerging risks

The Board and senior management drive a robust process to identify and monitor our top and emerging risks.

In 2021, credit risk continued to be the top risk we focused on. We closely monitored our customers exiting from Covid-19 debt relief programmes or spanning in vulnerable industries such as hospitality and aviation. No material adverse impact for any specific customer segments was identified. The global economy grew but at an uneven pace across countries due to differing vaccination rates and supply chain disruptions arising across countries due to differing vaccination rates.

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In the last decade, we focused on technology transformation to build a robust and scalable foundation. The Covid-19 pandemic validated our strategy. At the onset of the pandemic, our staff swiftly switched to remote working without any loss of productivity, continued delivering on our book of work and experimented with emerging technologies such as 5G, Internet of Things (IoT) and blockchain. We doubled down on our technology investments to create further distance between us and our competitors, which allowed us to move into a new chapter of transformation to deliver superior customer experiences. Our foray in this digital era are underpinned by the versatile assets we create, our technology DNA, the technologies we have, and our ability to experiment sustainably to accelerate change. It would be apt to identify DBS as a technology company that holds a banking licence.

Disrupting the financial industry with our digital assets

Translating emerging technologies into business solutions and services

Our early adoption of blockchains, artificial intelligence (AI) and IoT a few years ago has allowed us to reap the fruits of our labour. Through experimentation with and adoption of emerging technologies, we successfully developed a suite of scalable assets and achieved further breakthroughs. We set up three blockchain-enabled businesses, DBS Digital Exchange (DDEX), Partior and Climate Impact X (CIX), housed under our DBS Innovation subsidiary. DDEX reimagines what capital markets could look like with an integrated digital asset ecosystem. We are the only bank that offers a unified suite of solutions including deal origination, tokenisation, listing, trading and digital asset custody. By harnessing the benefits of smart contracts abilities, Partior enables banks worldwide to provide real-time cross-border multi-currency payments, trade finance, foreign exchange and Delivery versus Payment securities settlements on an open industry platform, with programmability, immutability, and traceability built into it. CIX, which uses technological advances such as satellite monitoring and machine learning, aims to be the leading global exchange and marketplace for high-quality carbon credits. Last November, CIX completed its first-of-its-kind portfolio auction with industry changemakers. Just as we experimented with blockchain while the technology was still nascent, in a similar vein, we are exploring initiatives relating to the metaverse, decentralised finance, tokenisation beyond financial assets and digital twin technology. As these technologies mature and more use cases develop, they, along with other emerging opportunities, will become major enablers of our business opportunities.

Leveraging the power of cloud

Our move to a hybrid, multi-cloud infrastructure resulted in greater resilience, scalability, reduced infrastructure costs, and the flexibility to move between cloud computing models and service providers. Unlike most organisations that completely shifted to public cloud, we managed to achieve better results by re-engineering our existing private cloud. With aggressive automation, we are three times more efficient than the industry benchmark when it comes to managing virtual machines, and our cloud efficiency has the ability to undertake four times the workload of a typical bank on a single hardware.

Riding on our private cloud infrastructure, we deployed workloads onto the public cloud in scale in a safe and secured manner. We developed Evolve, a tool that allows developers to obtain products and services on a self-service basis, and apply pre-determined, in-built controls and best practices during application deployment, resulting in rapid application builds, simplified operations and faster time-to-market solutions. DBS’ holistic approach to public cloud adoption is a major enablement to the bank and our joint ventures, from advancing data agenda and IT implementation, to application onboarding. Our digital assets can be readily utilised in businesses outside of ours.

Being an AI-fuelled bank

With our cloud approach setting the right infrastructure for growth and scalability, we have developed numerous cutting-edge programmes in-house. Our internal, self-service data platform, ADA (Advancing DBS with AI) has become the single source of truth for all customer interactions. ADA’s usage saw exponential growth in 2021, and it supported initiatives that generated close to SGD 100 million in impact on our top and bottom lines. Our award-winning AI protocol and knowledge management hub helped scale Ada ML practices at an enterprise level, and accelerated deployment to deployment time by 60%. Our Enterprise Data Security Framework engine addresses the privacy needs to secure data across various use cases using cloud frameworks. Its role-based access control capability holds its own weight among technological gurus like Google, Apple, Amazon and LinkedIn.

Developing and scaling robust and resilient systems through SRE

In this era of digital banking, it is imperative to digitalise and automate operations processes to support prompt and joyful servicing and products to customers. We have made substantial progress in these areas and improved our baseline and time to market. The synergy between Business, Operations and Technology teams co-leading the transformation of operations and customer servicing under our Platform Operating Model, has provided differentiated digital customer and employee journeys.

We have provided seamless connectivity from inception to fulfilment, enabling consistent role-based access to employees on the systems they operate on. Through the re-use of digital assets and processes, we standardised the blueprint of our best-in-class workflows and streamlined and automated customer’s requests to recommend appropriate products and services. This approach will be scaled up across all markets in 2022 as we focus on establishing a hassle-free network of workbenches and workflows. This network will refine employee journeys and provide a more productive experience. Manual handoffs will be minimised; transactions can be traced and audited; while systems, which will be available regardless of location, will facilitate job sharing as we scale our Work-From-Anywhere initiative and expand our global talent pool.

Building a diverse and future-ready workforce

DBS technologists form more than 25% of our workforce. Our digital DNA enables us to keep up with the lightning speed evolution of technology. At the same time, gender inclusive initiatives such as DBS Women-in-Technology and Haka2HiFy-Her have also successfully increased our family of female technologists. Today, 40% of our management teams, including senior management positions (Senior Vice President and above) are held by women.

Our employees are provided with numerous opportunities to organise future-proof transformation. Since 2021, over 1,000 technologists have been upskilled through learning gamification platforms, while also increasing demand for cloud technologies.

Banking sustainably in a digital world

By keeping a pulse on trends and identifying emerging technologies, we are able to create holistic solutions and innovations for a better society. As part of our aspiration for our Singapore offices to rely solely on renewable energy by 2030, our data centres and bank-rooms are being transformed into carbon neutral assets, while self-service branches and kiosks are being redesigned to leverage solar power for its energy needs.

The switch to electric vehicles for Cash and Valuables Escort services reduces CO2 equivalent by up to 17 tonnes per vehicle annually. We committed to ensuring net-zero operational carbon emissions across the bank by the end of 2022 and are on track to reduce our operational carbon footprint by 25% from 2020 levels.

Our offices building in Newton, Singapore, is being transformed into a net-zero emissions development. Our Singapore, Taiwan, India and Indonesia markets have collectively increased their renewable energy usage by 7%.

Re-engineering our operations through technology

In closing

We set a strong foundation and expanded our line-up of digital assets, products and services in the past decade. That is one aspect of growth; it is equally important to address the other side of the coin, that is, how we bounce back from adversity. Success is rare to achieve, but failures along the way are an integral part of the journey. They have not deterred us in our quest to becoming a leading technology-led business. Instead, they have strengthened our resolve to emerge stronger and to continue forging ahead.

We will continue to augment our heritage as a purpose-driven bank by creating long term positive impact for our customers, employees, and community. We work hard to build today, for tomorrow.

jemmy ng
Chief Information Officer

DBS Group Holdings

2022 FOCUS AREAS

• Externalise strengths and enable partners to leverage our digital assets
• Enable adoption at scale for hybrid, multi-cloud infrastructure
• Modernise applications, enhance existing suite of SRE, enable and execute the last mile of mainframe decommission
• Experiment with emerging technologies such as AI, IoT, metaverse and DeFi
• Accelerate data ingestion on Data Platform and move it securely to public cloud
• Scale workbenches and workflows bank-wide under a horizontal organisation construct
• Enhance employee journeys and experiences through automation of systems and processes, and tool reduction
• Enhance talent acquisition pipeline, strengthen Technology Employee Value Proposition and drive extensive future-ready training in line with world-class engineering companies.
In 2021, the global economy saw uneven recovery across different markets. IBG overcame headwinds from a low interest rate environment and achieved broad-based growth through an unwavering focus on customers, ecosystems and partnership strategies. As global trade rebounded, we saw increased client activities, loan demand, deal flows and capital market volumes. The digital acceleration that started last year continued and we saw good traction on the usage of our digital tools and applications.

Steady performance amidst pandemic

IBG delivered solid revenue of SGD 5.78 billion, up 4%, supported by a 20.5% loan growth and record current and savings account (Casas) volumes. Record Cusa volumes were achieved as clients recognised the value of our digital innovations, cash management solutions and safe franchises. Amidst a low interest rate environment, net interest income was stable at SGD 4 billion.

We registered record non-interest income, up 13% and achieving the SGD 2 billion mark for the first time. Allowances were below pre-pandemic levels owing to heightened credit vigilance through proactive and continuous monitoring of our portfolio. Profit before tax grew 8% to SGD 3.7 billion, primarily driven by lower allowances. The cost-income ratio was little changed at 35%.

In Greater China, we sharpened our Greater Bay Area strategy to capture business flows from new industries, promoted sustainable financing and continued to embed our trade and financing solutions deeper into supply chains, with a focus not just on large corporates, but SMEs as well. We also strengthened client relationships in Taiwan.

Our business in India saw strong traction as we focused on deepening relationships and delivering valuable solutions to help our clients succeed. To better serve them, we introduced platform-based financing programmes, offshore treasury and market solutions, as well as digital collection and payment solutions. As a result, revenues from India grew 21%. We expect these efforts to drive meaningful future growth.

Outside core markets, our business saw steady momentum as we focused on driving new client acquisitions through differentiated capabilities in supply chain, digitalisation and sustainability. We registered a 12% increase in income led by the UK, Vietnam and Austrian.

Forgetting our business for the future

Even as we scale our business across the region, we are innovating and building for the future. We identified key trends such as hyper-digitalisation, supply chain shifts and an increased focus on sustainability which would re-shape the post-pandemic economy.

To capture rising venture capital flows across the region, we beefed up our proposition in the digital economy space. Our Digital Economy Group and FiGroup plugged into the startup and private equity ecosystem across the region to identify opportunities to nurture and finance the growth of Asia’s future unicorns. This was well-received by digital economy companies, entrepreneurs and investors, and we won multiple mandates to support leading digital economy players throughout our key markets. We supported our long-time customer, Caltex, with a range of asset facilities and increased our limits for a block discounting facility to support its strong growth.

We also partnered Temasek to jointly launch a USD 500 million growth debt financing platform, Evolution’s Debt Capital, to provide non-distressed financing to growth-stage technology-enabled companies across Asia.

We expect to leverage on our Securities Business licence granted by the Chinese Securities Regulatory Commission to provide best-in-class onshore investment banking products and services for both domestic and international customers.

Our digital asset ecosystem anchored by the DBS Digital Exchange (DDEx) gained good traction since its launch in 2020. We closed the year with SGD 800 million in digital assets in our digital custodial services.

leadership in capital markets

DBS remained in pole position in Singapore’s equity space, advising and leading the largest number and value of equity deals on the SGX, accounting for 95% of the total deals from the Singapore market. We continue to play a dominant role in growing Singapore as an international financial centre for REITs and business trusts, contributing close to 90% of the equity proceeds raised from the REIT market.

DBS continued to dominate the SGD bond market with close to SGD 8 billion in issuances and around 31% market share. We continue to make headway in the Asia-ex Japan G3 bond markets with issuances of close to USD 73 billion.

We were ranked by Bloomberg as the top advisory house in Singapore and second in Southeast Asia for mergers and acquisitions by deal value. Key deals included Capitaland’s strategic restructuring where we served as sole financial advisor.

SMES – Supporting them as they recover and grow

Over the course of the pandemic, we proactively engaged SMES to extend working capital and business transformation support. Since 2020, DBS has approved over 14,000 collateral-free loans totalling more than SGD 6.4 billion to SMES in Singapore, with over 90% of the loans going to micro and small enterprises.

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A smooth IBOR transition

With the discontinuation of interest rate benchmarks such as the London Inter-bank Offered Rate and Swap Offer Rate, DBS has been partnering our clients to achieve a smooth and seamless transition to alternative Risk-Free Benchmark Rates. We achieved many firsts for Singapore Overnight Rate Average (SORA) pegged facilities in Singapore, including the SGD 1 billion SORA-based sustainability-linked loan to Sembcorp Marine Financial Services, the wholly-owned subsidiary of Sembcorp Marine.

Looking ahead

COVID-19 remains a lingering threat to economic recovery. However, we are optimistic that business momentum will be sustained in the coming year. The pick-up in interest rates and a largely positive credit environment should bode well for our bottom line. We will continue to focus on capturing cross-border trade recovery, tapping on our global footprint and further digitalisation, regional connectivity, and industry expertise. Sustainable financing will remain a key priority as we work with customers to redirect capital towards more sustainable outcomes.

Committed to sustainable financing

We made good progress in growing our sustainable finance business during the year, committing SGD 12.4 billion of sustainability-linked loans and SGD 6.9 billion of green loans. Since 2018, we have completed SGD 39.4 billion in sustainable financing transactions, bringing us closer to our SGD 50 billion sustainable finance target by 2024. In addition, we raised more than SGD 23.5 billion in ESG bonds for our customers in 2021 – more than double the proceeds raised the previous year. Our commitment to clients’ sustainability and the fundraising needs catapulted us to pole position in South and Southeast Asian offshore ESG Bonds League and in the ESG Bond Leaders League.

We arranged National Environment Agency’s SGD 1.65 billion inaugural bond issuance, the largest by a Singapore statutory board, and a USD 1.0 billion offering by Singaporian’s ambition to becoming the green finance capital of Asia.

As a testament to our leadership in sustainable financing, sustainable loans, green and social bonds, we won eight out of 10 segment awards in Global Finance’s inaugural Sustainable Finance Awards.

FOCUS AREAS

• Differentiate DBS as a leader in sustainable finance
• Capture cross-border and trade recovery
• Deliver on digital leadership from API and connectivity solutions
• Continued credit vigilance, KYC AML, and credit solutions
CONSUMER BANKING/ WEALTH MANAGEMENT

"We believe technology can play a crucial part in contributing solutions towards the common good. In 2022, we will continue to create and support innovative solutions that yield positive impact.

Consumer Banking/ Wealth Management: Strong fee income growth cushions macro impact

Despite the drag from 2021 headwinds, we were nevertheless able to deliver robust earnings for Consumer Banking/ Wealth Management with higher non-interest income and lower allowances. Our total income came in at SGD 5.32 billion, a fall of 8% against last year, while strong cost discipline kept our expenses flat. Net profit fell by 5% to SGD 1.92 billion.

Non-interest income was strong, rising 14% to SGD 2.77 billion. Income was buoyed by higher fees from investment, bancassurance and cards, as consumer spending began its return to pre-pandemic levels, and investments continued to climb across our key markets, growing by 14% and reaching SGD 2.22 billion in net fee income. The bancassurance business saw double-digit growth and maintained its leading fee business market share in Singapore. Annualised premium income in our life insurance business remained more than SGD 1.04 billion in new sales volume, with general insurance premiums growing by more than 19%. Overall, we see promising signs of recovery in the region and are well placed to support our customers.

2021 Overview

In a year marked by continued headwinds from Covid-19, low interest rates and market uncertainties, Consumer Banking/ Wealth Management demonstrated its resilience by delivering healthy results. This was a result of our disciplined cost management, increased productivity through digitalisation and pivot towards fee income. As business momentum grew and the economic recovery takes hold, we continue to build out our franchise footprint and grow our ecosystem and partnership plays, so our customers can bank seamlessly with us, wherever they are.

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Healthcare and Technology

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### Consumer Banking

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POSB HIGHLIGHTS IN 2021

Neighbours first, bankers second

Since our founding in 1877, POSB takes pride in serving generations from all walks of life. While our neighbourhoods and lifestyles have changed with the times, we remain the “People’s Bank” that provides pioneering solutions that make banking simpler for all segments of the population. They include children, young adults, families, seniors and the community at large. By widening our reach in the community through various initiatives, we remain committed to bringing value to our customers in Singapore.

POSB Smart Buddy Programme

We continued to expand the world’s first integrated in-school savings and payments programme to more schools. The POSB Smart Buddy programme, which was launched in 2017, creates a contactless payments ecosystem within the school environment to help cultivate sensible savings and spending habits among young students in an interactive, engaging manner.

In 2021, some 40,000 students across 80 schools have adopted Smart Buddy smartwatches and cards for digital payments. Students and their parents are able to track spending and savings patterns via the Smart Buddy mobile app in real-time. 36 schools are utilising Smart Buddy to disburse government subsidies to more than 3,500 students under the MOE Financial Assistance Scheme.

POSB PAssion Run for Kids

We organised our first-ever hybrid POSB PAssion Run for Kids incorporating onsite activities and a virtual race in 2021, bringing Singapore’s largest charity kids run event into its 13th year.

More than 2,400 participants took part and raised over SGD 800,000 for the POSB PAssion Kids Fund.

To date, SGD10.8 million has been raised, with more than 700,000 children benefiting from 182 programmes. This included partnering the North East Community Development Council to introduce the North East Innovation Challenge to schools in the North East District to promote the use of innovation to help solve today’s environmental challenges.

Financial literacy workshops for youths

We collaborated with the National Library Board, People’s Association, schools and social service agencies such as APSN, to organise 58 financial literacy workshops for more than 2,300 students and youths, including those with special needs.

POSB remains the only bank to work with the Migrant Workers’ Centre and Centre for Domestic Employees to set up banking accounts for more than 640,000 migrant workers and foreign domestic workers. Some 67% of them use the POSB digibank app to conduct their banking transactions today. In 2021, remittance volumes for work permit holder accounts grew, with the number of remittances increasing by 23% year-on-year.

We also piloted the use of data analytics and robotics in one of our POSB 24/7 self-service branches to better serve our customers. For instance, Temi robot has been deployed in the branch to help remind customers to adhere to safe management measures.

POSB digital literacy workshops

We continued to support seniors in their transition to digital banking with our digital ambassadors providing personalised assistance at our branches.

We also deepened our partnership with the Infocomm Media Development Authority, People’s Association, RSVP Singapore – The Organisation of Senior Volunteers, NTUC U Live, the National Library Board and The Council for the Third Age to enhance the digital literacy of our seniors.

In 2021, we organised more than 120 face-to-face and virtual ePayments workshops, engaging more than 5,700 seniors in Singapore.

For the Community

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We organised our first-ever hybrid POSB PAssion Run for Kids incorporating onsite activities and a virtual race in 2021, bringing Singapore’s largest charity kids run event into its 13th year.

More than 2,400 participants took part and raised over SGD 800,000 for the POSB PAssion Kids Fund.

To date, SGD10.8 million has been raised, with more than 700,000 children benefiting from 182 programmes. This included partnering the North East Community Development Council to introduce the North East Innovation Challenge to schools in the North East District to promote the use of innovation to help solve today’s environmental challenges.

Financial literacy workshops for youths

We collaborated with the National Library Board, People’s Association, schools and social service agencies such as APSN, to organise 58 financial literacy workshops for more than 2,300 students and youths, including those with special needs.
CORPORATE GOVERNANCE

Goverance framework
Our governance framework is anchored on competent leadership, effective internal controls, a strong risk culture and accountability of all stakeholders. Our Board plays a key role in setting our governance standards to meet those of our stakeholders. 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 (Corporative Governance) Regulations 2005 (Banking CG Regulations). We also comply, in all material aspects, with the Guidelines for Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers issued by the Monetary Authority of Singapore (MAS) on 9 November 2021 (Revised CG Guidelines), which comprises:

i) the Code of Corporate Governance 2018 (2018 Code); and

ii) the additional guidelines added by the MAS to take into account the unique characteristics of the business of banking, given the diverse and complex risks undertaken by financial institutions (Additional Guidelines).

The Revised CG Guidelines superseded and replaced the previous Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers issued by the MAS on 3 April 2013. The expectations in the Revised CG Guidelines that relate to disclosures are effective from the beginning of the financial institutions’ annual reports covering financial years commencing on or after 1 January 2022. However, as part of our continued efforts to enhance our corporate governance disclosures, we have applied the express disclosure requirements in the Revised CG Guidelines.

We have developed our corporate governance practices for our financial year ending 31 December 2021 with specific reference to the 2018 Code and the Additional Guidelines. A summary disclosure of our compliance with the revised Code was included in our 2018 Code and the Additional Guidelines, have been provided on pages 194 in this report.

Board highlights – 2021
Focus on Strategy
The Board had in-depth discussions in the course of 2021 on how DBS could create value for all stakeholders by leveraging on its technology strengths to build new engines of growth, and (ii) assumed leadership of the leading banks in various Asian Markets. During the annual Board strategy offsite (which was held over a three-day period in Singapore in the end of September 2021), the Board actively deliberated on:

• DBS technology capabilities compared to those of big technology companies (such as Google, Amazon, Netflix, Revolut, etc.);

• the progress of new business initiatives which use DBS technology capabilities (including DBS Digital Banking, Asia Pacific Digital Enterprise, Climate Impact X and DBS Fixed Income Execution (FIX) Marketplace) and how we can value these from these initiatives;

• the new incremental risk to DBS which could arise from the commercialisation of its technology strengths;

• using technology to transform DBS digital banking leadership in Singapore with the increasingly competitive landscape (with competition from digital banks and fintechs), and

• doubling down on DBS Asia strategy, with particular focus on how we can accelerate our growth in China (following the acquisition of a 13% stake in Shenzhen Rural Commercial Bank (SZRCB)), India (following the acquisition of Lakshmi Vilas Bank (LVB), and Indonesia.

Focus on Technology Risks
The Board had an in-depth discussion on the two-day digital disruption in digital banking incidents which occurred in November 2021, including the events which led to the disruption, the actions which were taken to resolve the issues, remedial actions as well as communications to our customers. In addition, both the Audit Committee (AC) and Board Risk Management Committee (BRMC) were kept updated on cybersecurity issues, including the results of the cyber red team simulation conducted in 2021 to assess DBS’ cyber security posture across all jurisdictions (with particular focus on remote working across Asia); insider threat scenarios and IT systems hosted in the cloud, and the areas where follow-up actions were required.

Focus on Sustainability
Environmental, social and governance (ESG) issues have been a significant focus area for the Board during the 2021. The Board was given a presentation by an external expert on Vision 2030, which was launched by the World Business Council for Sustainable Development (the World Business Council), an organisation which had over 200 leading industries (including DBS) working together to accelerate the transition to a sustainable world. Vision 2030 sets out various transformational pathways which industries could use to achieve the transition of having around 9 billion people living well and within the limits of the planet by 2050.

The Board discussed the actions being taken by DBS to align to the three pillars of the DBS Sustainability Framework (i.e., Responsible Banking, Responsible Finance and Responsible Impact Beyond Banking). It also discussed DBS’ decision to commit to net zero by 2050 by being the first Singapore bank to join the United Nations-convened Net Zero Banking Alliance (NZBA) in 2021, and proposed a sustainable roadmap for DBS to achieve certain targets by 2030.

Establishment of Board Sustainability Committee
In view of the heightened expectations among external stakeholders on DBS’ sustainability approach, as well as the increased risk in the areas of governance, target setting, and disclosures following public commitment to join the NZBA, the Board approved the establishment of a Board Sustainability Committee (BSC) in February 2022 to provide better focus on sustainability matters.

The Chairperson of the BSC is Mr Piyush Gupta, and the members of the BSC are Mr Tham Tai Choy, Ms Judy Lee and Mr Chong Kai Fong. For the members of the BSC (who are non-executive Directors) will be similar to the fees payable to members of the Corporate Governance and Management Development Committee (CGMDC), and will be subject to our shareholders’ approval at our annual general meeting (AGM) to be held in 2023.

Pursuing inorganic acquisitions and new business initiatives
The Board reviewed and deliberated on several inorganic acquisitions and new business initiatives, including the (i) acquisition of a 13% stake in SZRCB; (ii) acquisition of Citigroup’s consumer banking business in Taiwan; (iii) acquisition of a 13% stake in Shenzhen Rural Commercial Bank Limited (SZRCB) in China; (iv) acquisition of Lakshmi Vilas Bank Limited (LVB), and Indonesia.

The BRMC also deliberated on the risks arising from the aforementioned acquisitions (including the DBS Digital Exchange and the DBS digital ecosystem) and ensured that appropriate risk management and governance policies and procedures were put in place to manage those risks.

Board Renewal
Board renewal is a key focus for us. In 2021, the Nominating Committee (NC) continued the search for potential candidates who could be lined up for appointment as Directors of DBS Group Holdings Ltd (DBSH) and DBS Bank Ltd (DBS Bank) for the next Board term. The NC was instructed to identify suitable candidates who will take DBS on a new path while retaining the trust of our shareholders and external stakeholders.

Ms Judy Lee, an American citizen, was appointed as an Independent Director of both DBSH and DBS Bank with effect from 1 August 2021, and serves on the AC, BRMC and the recently established BSC. She was one of the candidates recommended by the global search firm. Ms Lee has over 30 years of experience as a banker, risk management and advisory expert. Ms Lee has worked in trade and commodity industry, and has held a key role as an ambassador for DBS in Singapore. Ms Lee is of the opinion that DBS is well positioned to move forward as a leader in Asia Pacific and globally.

In order to align DBS’ Board committee setup with China’s CoC, the NC decided that the remuneration committee will be separated into two committees, each of DBSH and DBS Bank.

Three long-serving Directors (Ms Eileen Goh, Mr Andre Seluki, and Mrs Ow Foong Peng) stepped down on 30 March 2021 after having served on the Board for nine years or more.

The NC had appointed a global search firm to identify and recommend candidates for appointment as Directors. The NC considered various candidates recommended by the global search firms as well as candidates recommended by other Board members. Diversity was one of the key considerations in the Board's decision-making process to ensure that the Board is appropriately balanced to lead DBS into the future.

Four key considerations included (i) the skills that the candidates would replace; (ii) the skills that the candidates would bring; (iii) the skills that the candidates would replace; and (iv) the independence status of the candidate; and (v) whether the candidate would be able to commit sufficient time to the duties of a Director. A 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.

Two new Directors appointed in 2021
Mr Chong Kai Fong was appointed as an Independent and non-Executive Director of DBS Bank.

Ms Judy Lee, an American citizen, was appointed as an Independent Director of each of DBSH and DBS Bank with effect from 1 August 2021, and serves on the AC, BRMC and the recently established BSC. She was one of the candidates recommended by the global search firm. Ms Lee has over 30 years of experience as a banker, risk management and advisory expert. Ms Lee has worked in trade and commodity industry, and has held a key role as an ambassador for DBS in Singapore. Ms Lee is of the opinion that DBS is well positioned to move forward as a leader in Asia Pacific and globally.

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Four key considerations included (i) the skills that the candidates would replace; (ii) the skills that the candidates would bring; (iii) the skills that the candidates would replace; and (iv) the independence status of the candidate; and (v) whether the candidate would be able to commit sufficient time to the duties of a Director. A 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.

Two new Directors appointed in 2021
Mr Chong Kai Fong was appointed as an Independent and non-Executive Director of each of DBSH and DBS Bank with effect from 31 March 2021, and serves on the AC, BRMC and the recently established BSC. As Mrs Ow Foong Peng was due to step down as a Director at the end of the 2021 financial year, the Board approved the appointment of Mr Ching, who is a senior Singaporean civil servant, as a non-executive Director of DBSH. As Mr Ching is currently the Permanent Secretary of Singapore’s Smart Nation and Digital Government Group (SNDGG), Prime Minister’s Office. Prior to joining SNDGG, he was the Managing Director of Singapore Economic Development Board (EDB) from 2017 to 2021. Before he joined EDB, he was the Principal Private Secretary to the Prime Minister of Singapore.

Executive Directors

Chairperson

Mr Piyush Gupta

Independent Non-Executive Directors

Non-independent & Non-executive Directors (including Chairman)

Executive Directors / CEO

Mr Soh Kian Tiong

Mr Tan Hock Chye

Mr_cd8_A4s_044-105.indd   44-45
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Lead independent director

The Lead Independent Director, 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 information on our Directors

The table sets out key information on our Directors, the number of meetings which our Directors attended during 2021 as well as the remuneration for each Director for financial year ended 31 December 2021 (FY2021). The remuneration of non-executive Directors (including the Chairman) does not include any variable component. Please refer to page 55 to 56 for more details on the non-executive Directors’ fee structure for FY2021.

Director independence status

<table>
<thead>
<tr>
<th>Director</th>
<th>Independence status</th>
<th>No. of meetings held in 2021</th>
<th>Directors’ remuneration for FY2021 (SGD)</th>
<th>Share-based remuneration (SGD)</th>
<th>Others**</th>
<th>Total:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Peter Seah, 75</td>
<td>Non-Executive and Non-Independent Chairman</td>
<td>7 6 12 4 5 5 1 1</td>
<td>Total: $1,934,573</td>
<td>$1,321,250</td>
<td>$566,250</td>
<td>$47,073</td>
</tr>
<tr>
<td>Dr Bonghan Cho, 57</td>
<td>Non-Executive and Independent Director</td>
<td>7 6 12 4 5 5 1 1</td>
<td>Total: $248,500</td>
<td>$173,950</td>
<td>$74,550</td>
<td>–</td>
</tr>
<tr>
<td>Ms Euleen Goh, 66</td>
<td>Stepped down as a Non-Executive and Non-Independent Director on 30 March 2021</td>
<td>– – –</td>
<td>Total: $70,826*</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Ho Tian Yee, 69</td>
<td>Non-Executive and Independent Director</td>
<td>7 6 12 4 5 5 1 1</td>
<td>Total: $202,000</td>
<td>$141,400</td>
<td>$60,600</td>
<td>–</td>
</tr>
<tr>
<td>Mr Oliver Lim, 57</td>
<td>Non-Executive and Lead Independent Director</td>
<td>7 6 12 4 5 5 1 1</td>
<td>Total: $418,185</td>
<td>$292,729.50</td>
<td>$125,455.50</td>
<td>–</td>
</tr>
<tr>
<td>Mr Andre Sekulic, 71</td>
<td>Stepped down as a Non-Executive and Independent Director on 30 March 2021</td>
<td>1h – – – 1h 1h 1 1</td>
<td>Total: $55,363*</td>
<td>$55,363</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mrs Ow Fong Peng, 58</td>
<td>Stepped down as a Non-Executive and Non-Independent Director on 30 March 2021</td>
<td>1h 1h 1h 1 – 1h 1 1</td>
<td>Total: $61,329</td>
<td>$61,329</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr Tham Sai Choy, 62</td>
<td>Non-Executive and Independent Director</td>
<td>7 6 12 4 5 5 1 1</td>
<td>Total: $355,000</td>
<td>$248,500</td>
<td>$106,500</td>
<td>–</td>
</tr>
</tbody>
</table>

Meetings attendance record (1 January to 31 December 2021)

<table>
<thead>
<tr>
<th>Directors</th>
<th>NED</th>
<th>NC</th>
<th>EDO</th>
<th>AC</th>
<th>BRMC</th>
<th>CMDC</th>
<th>ADM</th>
<th>Offset**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Peter Seah</td>
<td>7</td>
<td>6</td>
<td>12</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Dr Bonghan Cho</td>
<td>7</td>
<td>6</td>
<td>12</td>
<td>4</td>
<td>5</td>
<td>5</td>
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</tr>
<tr>
<td>Ms Euleen Goh</td>
<td>1h</td>
<td>–</td>
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<td>1h</td>
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</tr>
<tr>
<td>Mr Ho Tian Yee</td>
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<td>–</td>
<td>–</td>
<td>5</td>
<td>–</td>
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<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr Oliver Lim</td>
<td>7</td>
<td>6</td>
<td>12</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr Andre Sekulic</td>
<td>1h</td>
<td>–</td>
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<td>1h</td>
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</tr>
<tr>
<td>Mrs Ow Fong Peng</td>
<td>1h</td>
<td>1h</td>
<td>1h</td>
<td>1h</td>
<td>1h</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr Tham Sai Choy</td>
<td>7</td>
<td>6</td>
<td>12</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

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.

Board meetings and activities

Board and Board committee meetings are scheduled well in advance of each year in consultation with the Directors. There are five scheduled Board meetings each year. Ad-hoc meetings are also held when necessary. There were two ad-hoc Board meetings held in 2021. Please refer to the Board highlights – 2021 section on pages 44 to 45 for more information on the key focus areas of the Board in 2021.
In addition, the CEO and CFO will present the 
In addition to the quarterly Board meetings, 
(v) various new business initiatives; and (vi) 
customer journeys and creating horizontal 
promise; (iii) our progress in managing through 
shape the DBS brand and deliver on our brand 
using the three pillars of DBS’ sustainability 
In 2021, the CEO updated the Board on (i) 
• in-house subject matter experts may also be 
external advisers. External professionals or 
• participating in any Board decision. When 
• oversees the setting of the agenda of Board 
Before each Board meeting, the Chairman 
• 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 
• 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 2021, the CEO updated the Board on (i) how DBS is building a sustainable franchise using the three pillars of DBS sustainability framework: (ii) the Singapore consumer business, including how we are using data and digital tools to drive customer segmentation to shape the DBS brand and deliver on our brand promise; (iii) our progress in managing through customer journeys and creating horizontal promise; (iv) the SHRE digital strategy; (v) various new business initiatives; and (vi) updates on the progress of the integration of the business of LVB with DBS.

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’s 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 advisors. 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.

The 2021 Board strategy offsite was held over three-day period in Singapore at the end of September 2021. Please refer to the Board highlights – 2021 section on pages 44 to 45 for more information on the discussions during the 2021 Board strategy offsite.

Matters discussed by the Board and Board Committees in 2021

Note: Further details of the activities of the Board and Board committees in 2021 can be found on pages 44 to 45.

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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 committees (other than the recently established BSC) 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 those 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 industry knowledge, skills, backgrounds, experience, professional qualifications, age and gender 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; 

49 Corporate governance
Highlights of NC's activities in 2021

Board renewal process
Please refer to the Board highlights – 2021 section on pages 46 to 47

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 shareholders, business relationships and business partnerships with DBS.

The NC then interviews the short-listed candidates and makes its recommendations to the Board. All Directors are based on merit, taking into account the contributions the candidates can bring to the Board and enhance its effectiveness. Upon the appointment of a new Director, the NC will recommend to the Board of Directors (who are appointed in between AGMs) after matching the Director’s skills to the needs of each board committee.

Induction and Training for new Directors
All new Directors go through our induction programme, which covers the duties and responsibilities of Directors and the roles and responsibilities of a Director in DBS.

In 2021, the two new Directors (Mr Chng Kai Fong and Mr Tham Sai Choy) underwent a 4-day induction programme after they were appointed as Directors. As part of the induction programme, they had one-on-one meetings with the members of the Operations Risk Committee. DBS is the first listed company directorship for both Mr Chng and Mr Lee; they attended training sessions conducted by the Singapore-based Institute of Directors (SID) on the roles and responsibilities of a listed company director.

Annual review of Directors’ independence
The NC will review whether each Director is independent in accordance with the stringent standards required for financial directors under the Banking Code of Conduct Regulations. Under the Banking Code of Conduct Regulations, an “independent director” is defined to mean a Director who:
• 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 Mr Chng Kai Fong, all Directors are considered to be independent from any substantial shareholders of DBS; (iv) independent from any substantial shareholder, Temasek Holdings (Private) Limited (Temasek). Mr Chng, who is the Second Permanent Secretary for the Singapore National and Digital Government Group, Prime Minister’s Office, Singapore, is an independent Director as the Singapore government is its ultimate owner; and (v) Mr Peter Seah and Mr Piyush Gupta 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 Mr Chng Kai Fong, Ms Pun Li Lee, Mr Lim and Mr Tham Sai Choy.

Although Mr Ho Tian Yee, Ms Judy Lee, Mr Oliver Lim, Mr Anthony Lim and Mr Tham Sai Choy are on the boards of companies that have business partnerships with DBS, and are also directors of companies in which Temasek has investments (Temasek portfolio companies), the NC considers these Directors (i) independent from business relationships, as the revenue from such relationships is 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 business 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.

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Board performance and evaluation
The NC reviews Directors' performance on a year-to-year basis to determine whether the Board and Board committees are performing effectively and efficiently. The NC is an integral part of the induction process for new Directors, and it marries the responsibilities of a Director with her or his performance. The NC believes that it is important to obtain an independent perspective on the Board’s performance every four years, and to gain insights on the Board’s performance against peer boards and best practices. The NC was engaged to conduct the Board performance evaluation for the financial year ended 2018.

In 2021, the NC engaged Aon Hewitt (Aon), an independent director of DBS, to conduct the Board evaluation for FY2021. Aon is not connected to any of the Directors, and none of the Directors has an interest in the contract with Aon. As part of the evaluation process, a Board evaluation questionnaire (which included questions on Board composition, Board information, Board processes/culture, Board accountability, Capital/ Risk, Management, Standards of Conduct, Board relationships and effectiveness of Board committees) was circulated to each Director and the completed questionnaires were returned to Aon. Thereafter, Aon conducted one-on-one interviews with each Director to get in-depth feedback and perspectives on the performance of the Board. The NC and the Board of Directors, as a matter of process, also requested the independent external evaluator to conduct a Board evaluation questionnaire (which included the Board evaluation surveys conducted by Aon).

In addition to the annual evaluation exercise, the NC also conducts an annual Board effectiveness questionnaire. Each Director is assessed and the NC acts as an independent arbiter in the collective decision of whether each Director remains qualified for annual re-election. In making its determination, the NC will take into account in-depth feedback and perspectives on the Board’s performance, the professional background, experience, skills and capabilities; (i) the Director’s track record, experience and skills; (ii) whether he/she has been adequately carrying out his/her duties as a Director, including the contributions and performance of his/her Board and Board committee(s); 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 discharged his or her duties of DBS and has contributed meaningfully to DBS.

During the evaluation, the NC considered the skillsets, contributions and career-long standing of the 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 that Mr Peter Seah remains as the Board Chairman to provide leadership and continuity. Mr Seah is a veteran with over 30 years of experience in the banking industry, and he has been instrumental in the growth and transformation of DBS over the last seven years. From a strategic perspective, the next few years are critical as DBS seeks to expand its digital transformation and growth strategies (especially with the prevailing macro-economic and geopolitical headwinds as well as challenges due to the Covid-19 pandemic) and enhance its franchise in the Greater China, Asia, China, Indonesia, Vietnam and India; and
• it is in the interests of DBS for Mr Ho Tian Yee to continue serving on the Board for another year. Mr Ho is a seasoned banker with market risk-taking expertise and has over 30 years of experience in managing and investing in global financial markets. Having served on the Board of Risk Management Committee since he was appointed as a Director in April 2011, he has an in-depth understanding of DBS’ risk environment and provides valuable insights and perspectives to help DBS navigate the complex and challenging risk landscape; and
• as CEO, Mr Piyush Gupta should remain as CEO and provide the Board with insights into the business.

The NC also reviewed the Board composition. While the Board has not set a maximum number of Directors which must be re-elected at any AGM, longer tenures are required for re-election by shareholders at least once every three years. In addition, new changes to the Companies Act 2018 (Amendment No. 4) Act 2018 (‘ASC Act 2018’) require Directors 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 their respective responsibilities, participation, contribution, expertise and time commitments.

At the 2022 AGM, Mr Duhong Chao, Mr Olivier Lim and Mr Tham Sai Choy will be retiring by rotation, while Mr Chng Kai Fong and Ms Judy Lee 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, all five Directors will be standing for re-election at the 2022 AGM.

Review of composition of Board Committees
The NC regularly reviewed the size and composition of the Board committees. A new composition of Board committees in 2021 to ensure that all independence requirements continue to meet, and that the Board committees are tailored to the needs of DBS; and diversify the Board to support the long-term success of DBS.

The main objective of the Board Diversity Policy is to ensure that the Board has a balanced mix 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 endeavour to ensure that female candidates are included for consideration when filling any new Director positions, with the aim of having not less than two female Directors on the Board. Two out of every four Director on the Board (20%) of the Board) are female.

The NC is responsible for developing a sustainable diversity strategy that DBS collectively needs in order to discharge the Board’s responsibilities effectively, taking into account the composition of DBS’ existing risk profile, business operations and future business strategy. The NC has put in place a skills matrix which classifies skills, experience and knowledge of Directors into the following broad categories (I) Industry knowledge and expertise (including general knowledge and professional acumen); (II) Governance; (III) Leadership; (IV) Digital Transformation; and (V) Sustainability. The NC believes that there is an appropriate balance of skills amongst the Directors with deep understanding of the banking background, experience, professional qualifications, age and gender on the Board, and is satisfied that the objectives of the Board Diversity Policy continue to meet.

The following changes were made to the composition of the Board committees in 2021:
• Following the retirement of Ms Euken Goh from the Board at the conclusion of the 2021 AGM, Mr Olivier Lim took over as Ms Goh as the BRMC chairman with effect from 31 March 2021.
• Following the retirement of Mr Andre Sekulic from the Board at the conclusion of the 2021 AGM, Mr Anthony Lim took over from Mr Sekulic as the CMDC chairman with effect from 31 March 2021.
• Mr Chong Soon Hui was appointed as a member of the AC with effect from 31 March 2021.
• Ms Pun Li was appointed as a member of the AC, effective from 31 March 2021.
• Ms Judy Lee was appointed as a member of the AC, the BRMC and the CMDC with effect from 4 August 2021.

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 are informed about upcoming training sessions so that they are appropriately aware of emerging technologies, including blockchain and distributed ledger, and the implications on DBS. In DBS, (i) training sessions are given by internal subject matter experts on ‘80/20: Time to Transform’ launched by the World Business Council for Sustainable Development, an external vendor for the creation in fintechs, as well as (ii) outlook and implications of recent policy actions in China, (iii) Digital Transformation; and Disclosure Matters (including capital and liquidity, risk management, customer service, risk evaluation); (iv) risk training session on DBS Risk-Based Limit approach; and (v) updates on Intercompany Balance (BOB) reform and implications on DBS.

The following changes were made to the Board committee composition in 2021:
• The following changes were made to the Board committee composition in 2021: (a) with effect from 4 August 2021.
Highlights of EXCO’s activities in 2021

- The EXCO assists the Board to enhance the business strategies and strengthen core competencies of DBS. The EXCO meets frequently (12 meetings in 2021) and is able to offer greater responsiveness in the decision-making process of DBS.
- In addition to its quarterly review of weak credit cases, the EXCO met to review the Group’s financial statements (including data privacy and appropriate use of data) and
- Reviews and provides recommendations on matters that will require Board approval, including acquisitions or divestments exceeding certain material limits.

Highlights of AC’s activities in 2021

- The AC has conducted annual reviews 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 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.
- Approves the hiring, removal, resignation, evaluation and compensation of the Head of Group Audit.
- The AC reviewed the Group’s trading updates and financial statements to ensure that the assurances provided by the CEO and CFO that the financial statements are properly drawn up and that the Group’s assets and liabilities are stated in accordance with the provisions of the Singapore Banking Act, Singapore Companies Act and Singapore Financial Reporting Standards are true, correct and complete. The AC is of the view that the specific allowances that have been established reflect sufficient provisions for credit losses.
- The AC is of the view that Group Audit is independent, effective and adequately resourced. Group Audit is also of the view that Group Audit’s financial systems and IT systems hosted in the cloud.
- 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 is also of the view that Group’s financial systems and IT systems hosted in the cloud.
- The AC conducted a review of the Group’s financial statements for the year ended 31 December 2021 (including Basel Pillar 3 disclosures) and examined the other financial 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 on Auditing 720. For the financial year ended 31 December 2021, the AC was also apprised of the findings from other reviews initiated by Group Audit. These reviews covered new businesses (such as DBS Securities (China) Limited, DBS Digital Exchange and the integration of UOB as well as credit portfolios across key markets, factoring in Covid-19 conditions. The AC was also updated in the results of the cyber red team simulation conducted to assess DBS’s cybersecurity defences.

Oversight of Group Audit

- The AC oversees 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 valuations in valuation reserves, the appropriateness of the Group’s valuation methodology in light of industry developments, and the overall adequacy of valuation processes. The AC’s observations from these external audit interactions and discussions 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 well as disclosed in the financial statements to be appropriate.
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 obtains the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority (ACRA); the guidance provided in Prudence 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 2021 and the 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 auditors have not been impaired by the provision of these services.

### 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 establish and maintain appropriate risk culture.
- Guided the development of, and recommendations for the Board's approach, 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.
- Reviews the risks arising from new business activities, and the associated risk management and governance approach.
- 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. The Group monitors in accordance with approved risk appetite and/or guidelines.
- Discusses risk reporting requirements and reviews the risk dashboard to keep track of major 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.
- Oversees the risk governance approach, including approving risk models used for capital computation and monitoring 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 and Group Recovery Plan;
- Exercises oversight of regulatory requirements relating to risk management.

### 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 concerning 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 competences and bench strength as well as strengthen leadership capabilities and talent pipeline for the continued success of the Group.

### Highlights of BRMC’s activities in 2021

The BRMC’s approach continued to be underpinned by a philosophy that risk management in complex and large organisations is best served by holistically integrating risk with business, culture, talent, structure and processes.

The BRMC was kept informed of major risk positions and risk developments through the risk appetite matrix. The BRMC monitors the global economic environment and, in particular, paid close attention to developments which could pose material risks for the Group or key markets where we operate. The BRMC also provided guidance, where appropriate, to management.

The BRMC considers vulnerabilities such as the global economic outlook, political landscape, liquidity tightening rates and market volatility, all of which could impact our strategy and portfolios in the short term.

In 2021, the BRMC discussed the findings and the impact arising from scenario analyses and portfolio reviews conducted on certain countries and specific sectors, including:

- The tapering of the Covid-19 pandemic government support measures and relief programmes;
- The impact of rising fuel prices and energy shortage; and
- The contagion effect from defaults of major Chinese enterprises, and the insolvencies of Greenfield Capital and Archegos Capital Management.

The scenario analyses are in addition to the reviews of the annual and quarterly stress test exercise.

The BRMC also reviewed management's assessment of the impact of the protracted US-China tensions, increased regulatory scrutiny on technology players and evolving socio-economic landscape in China. In addition, the BRMC discussed the geopolitical landscape in the region, inflationary pressure, and taper targets as it kept informed of the evolution of market risk limits (for both banking and trading books), the liquidity risk profile and limits (through liquidity stress testing and stress tests of legal entities), and the key operational risks of the Group.

The BRMC deliberated over the new business permutations and Niche Strategies, which included DBS Digital Exchange, Climate Impact X, and LIBR. The BRMC reviewed and approved the risk management and governance approach for new business initiatives, and was given regular updates on new developments and incremental risks arising from these new initiatives in the course of 2021.

The BRMC was also advised on the continued focus on risks trends on anti-money laundering and countering the financing of terrorism, fair dealing and conduct risks as well as the potential impact of remote working. The BRMC was updated on the various efforts made to address these risks.

The BRMC reviewed and approved the risk assessments framework for the transition to new risk models and compliance, 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 compliance and control culture survey conducted in 2020.

The BRMC, in partnership with the CEO, coordinated the smooth internal succession of the CRO.

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) 2021

- **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’ executive directors.

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. As part of the review of the annual variable pay pool as well as the remuneration of the CEO and senior executives, the CMDC appraises how well DBS has performed against the balanced scorecard for each year.

We have a robust disciplinary framework linked to individual performance incentives. 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 2021 Risk & Culture score for the Kinsner My Voice survey increased to 91%.

During the year, the CMDC reviews market trends to ensure that the Group’s remuneration remains competitive in the context of our performance and productivity.

### Talent Review and Succession Planning

The CMDC reviews the talent pool of the Group, the strength of the human capital in DBS in support of its overall strategy. This includes a focus on the talent bench strength in the field”, succession plans for CEO and GMC members, as well as development plans for our High Potential (HiPo) candidates.

Succession Planning is a rigorous process in DBS which includes inputs from the respective country and Group Functional Heads, followed by detailed reviews with the CEO. The CMDC reviewed the succession plans of the 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, (iii) leadership competencies and (iv) leadership traits.

The potential successors for GMC were evaluated against these four dimensions to assess their readiness, and development plans to address the gaps were put in place to prepare them for succession.

In assessing its Talent bench strength, DBS follows a robust HIPO identification process based on the “3P” framework namely: Performance, Potential and Potential. The assessment of potential is based on the candidate’s ability, aspiration and engagement. Identified HIPOs are developed through a comprehensive “triple-E development framework” which focuses on actionable development activities around education (e.g., 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 2021; the retention rate was healthy at 62.6%, well within our target of below 10%. 49% of our HIPOs also took on enhanced or changed roles, well above our target of 30%.

### Staff Welfare

The CMDC was also advised of how we worked together effectively in the remote working environment. We have supported our colleagues, prioritising their wellbeing, safety and security, and have also accelerated the implementation of wellbeing initiatives including the “Together” movement (which was implemented by various programmes and various programs are held such as engagement programs, hangouts, seminars and training festivals) to galvanise staff together.

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**Non-executive Directors’ fee structure for FY2021 (unchanged from FY2020)**

<table>
<thead>
<tr>
<th>Committee Name</th>
<th>Basic Fee (SGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>100,000</td>
</tr>
<tr>
<td>Lead Independent Director</td>
<td>75,000</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>1,450,000</td>
</tr>
<tr>
<td>Board Risk Management Committee</td>
<td>90,000</td>
</tr>
<tr>
<td>Compensation and Management Development Committee</td>
<td>65,000</td>
</tr>
<tr>
<td>Executive Committee</td>
<td>75,000</td>
</tr>
<tr>
<td>Nominating Committee</td>
<td>45,000</td>
</tr>
</tbody>
</table>

**Additional member committee fees for: (Note: Board committee chairpersons do not get these fees)**

<table>
<thead>
<tr>
<th>Committee Name</th>
<th>Fees (SGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Committee</td>
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</tr>
<tr>
<td>Board Risk Management Committee</td>
<td>60,000</td>
</tr>
<tr>
<td>Compensation and Management Development Committee</td>
<td>35,000</td>
</tr>
<tr>
<td>Executive Committee</td>
<td>60,000</td>
</tr>
<tr>
<td>Nominating Committee</td>
<td>30,000</td>
</tr>
</tbody>
</table>
Remuneration of Non-Executive Directors

The CMC 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, the non-executive Directors receive all or a portion of their fees in cash and the remaining 30% in shares.

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 the FY2020 Director and for one year after the date he or she steps down. The fair value of shares granted to the non-executive Directors are based on the volume-weighted average price of the ordinary shares of DBS 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, these Directors are not entitled to receive any other share incentives or securities under the DBS Share Plan.

The table on page 55 sets out the annual fee structure for the non-executive Directors for FY2021. There is no change to the annual fee structure from FY2020. Non-executive Directors are also paid attendance fees for attending Board and Board committee meetings. Table below presents the fee structure on the remuneration of non-executive Directors at the 2022 AGM.

Although the non-executive Directors’ fee structure for FY2021 remains unchanged from the previous year, the amount of non-executive Directors’ remuneration for FY2021 is approximately 4% higher than that of FY2020. The higher remuneration for FY2021 is mainly attributable to the increased responsibilities of the non-executive Directors (who was in office during the last Annual General Meeting) and non-executive Directors’ fees in FY2020 (instead of SGD 100,000) as they had volunteered to take a 10% reduction in their basic retainer fees in FY2020, in a show of solidarity with the nation and our stakeholders during the Covid-19 pandemic. In addition, Mr Peter Seah, who also chairs the Board of DBS Bank (Hong Kong) Limited, received a Board Chairman’s fee of SGD 1,010,000 for FY2020, and Mr. Tsun Siow Choy, who sits on the Board of DBS Bank (China) Limited, received the Board Chairperson’s fee of CNY 471,000 in FY2020.

None of the Group’s employees has an immediate family member of a Director with remuneration exceeding SGD 100,000 in FY2021.

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;
- Investments and divestments exceeding certain material limits;
- Group’s annual budget;
- Capital expenditure and expense exceeding certain material limits;
- Capital related matters including capital adequacy objectives, capital structure, capital issuance and redemption;
- dividend policy, and
- risk strategy and risk appetite statements.

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 standards and strategies, 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 DBS Constitution. The GAA is regularly reviewed and updated to accommodate changes in the scope and activities of DBS business operations. The Board approves the GAA and any changes 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 BRC, oversees the Group’s system of internal controls and risk management. DBS has three lines of defense when it comes to risk, where each line of defense has a clear responsibility.

First line of defense

Our first line of defense consists of four main units. Three of our units are our first line of defense. Their responsibilities include the identification and management of risks and controls, as well as the preparation of risk management plans 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 unrestricted access to the AC, the Board, and management, as well as the right to seek information and explanation processes. Group Audit has an organisational and strategic alignment to the Group. The CMDC reviews and approves all of the Board’s meeting papers and attends all the business reviews and strategic planning forums. The respective heads of each audit unit cover a specific domain of the business, and are responsible for the oversight of the relevant department. The increased use of Group Audit’s analytics and data-driven approach, coupled with the integration of risk intelligence technologies, help Group Audit effectively provide assurance, in spite of 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 the Disclosure Code of the Exchange of Singapore, deemed to constitute “financial statements”. Accordingly, Directors and employees are prohibited from selling 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 engaged in trading or marketing activities are prohibited from trading in DBS securities during the “black-out period”. Group Secretariat informs all Directors and employees of each black-out period of time. Directors and employees are prohibited 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-clearance from the Chairman before any sale of DBS securities. Trading by GMC members is subject to good governance and the principles of share ownership by senior management, the CEO is expected to 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 for any personal trades in securities, and may only trade through the Group’s stock-subscribing subsidiaries and bank branches 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 to DBS’ related parties to ensure compliance with regulatory requirements.

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.

The aggregate contract values of DBS’ interest in related parties transactions entered into in 2021 are set out in the table above. The table included three joint venture transactions, which DBS entered into with its controlling shareholder, Temasek, related to the establishment of (a) a blockchain-based clearing and settlement platform (ParticX); (b) a global exchange and marketplace for high-quality carbon credits (Climate Impact X); and (c) a USD 500 million growth debt financing platform (EvolutionX). In addition, DBS entered into a development and management agreement with, and provided consultancy services to, associates of Temasek on arm’s length commercial terms and for the purpose of carrying out day-to-day operations, as well as leasing of premises, telecommunications/data services, IT systems and related services, resale of prepaid mobile services by DBS (as credit card holders, logistics and security services).

Material contracts

Since its listing on the stock exchange in the previous financial year, no material contracts involving the interest of any Director or controlling shareholder of DBS are entered into. DBS has entered into related transactions with some of its subsidiary companies, and no such contract subsisted as at 31 December 2021, save as disclosed in 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. In addition, all units of the Group are required to submit quarterly attestations on their controls relating to the financial reporting process, and annual attestation reports to 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 control policies and practices in its governance processes. The overall adequacy and effectiveness of DBS’ internal controls framework is reviewed by the AC and BRMAC.

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 2021, the Group’s financial records have been properly maintained, and the financial statements provide 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 2021, 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 and the AC Board also ensured were monitored and operated. The Board noted that: (i) integration efforts on LIE are on track and expected to complete towards the end of 2022, and that at this point in time, there are some gaps between LIE’s control environment and Bank’s, which management is addressing; and (ii) in relation to the two-day digital disruption in November 2021 in SGX, the Group has initiated remedial measures to improve the resilience of our services and incident response, and is internal controls are continued to be evaluated, discussed and improved as required.

Strong culture

Effective safeguards

We believe that effective safeguards against undue business conduct have to go beyond a “tick-the-box” mentality. In DBS, other than on 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 this page for more information.

• Aligning strategies and incentives via the balance scorecard: Please refer to the section on “Our 2021 priorities” on pages 28 to 33 for more information.

• Risk culture: Please refer to the section on “Risk Culture” on pages 56 to 57 for details on our three lines of defence.

• Risk ownership: Please refer to pages 56 to 57 for details on our three lines of defence.

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 2021 indicated a satisfactory risk culture bank-wide.

In 2021, we continued to monitor our risk culture pulse with a risk culture and conduct dashboard, comprising multi-faceted indicators. 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 conducted training with case studies to aid managers in strengthening the “tone from the middle” and to enhance employee risk sensing and judgement. We continue to place emphasis on conduct as part of our compensation evaluation process.

The DBS Code of Conduct (Code of Conduct)

The DBS Code of Conduct sets out the principles and standards that are expected of employees of the Group (including part-time and temporary employees), when dealing with customers, clients, partners, suppliers, registrars and colleagues. The principles covered in the Code of Conduct include professional integrity, confidentiality, arm’s length transactions, even-handed dealings with customers and whistle-blowing. It also defines the procedures for employees of DBS to report incidents and provide protection for those staff for these disclosures.

All employees of DBS are required to read the Code of Conduct and acknowledge the Code, and the annual review is an annual basis. Members of the public may access the Code of Conduct on DBS’ website, as well as write to us in an electronic feedback form on the website. The Code of Conduct encourages employees of DBS to report their concerns to DBS’ dedicated, independent, third-party whistleblower group, 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 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;

• A complaints and reports to our employees with knowledge of individual organisations;

• Expert forensic investigators to analyse reports;

• Timely reporting of incidents to dedicated representatives within our 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 DBS’s Constitution. These rights include, among others, the rights to participate in profit distributions and the right to attend and vote at general meetings. Ordinarily, any shareholder who is entitled to attend and vote at a general meeting in person or by proxy. Indirect investors who hold DBS shares through a nominee company or custodian bank or through a CCF 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. All shareholders are entitled 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 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 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, 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 the 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) voting at the AGM ("live" by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (d) 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 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.

Information on Directors

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 161 to 165 - Directors' length of directorship 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

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

<table>
<thead>
<tr>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay for performance as measured against balanced scorecard</td>
</tr>
<tr>
<td>• Instil and drive a pay-for-performance culture</td>
</tr>
<tr>
<td>• Ensure close linkage between total compensation and our annual and long-term business objectives as measured by our balanced scorecard</td>
</tr>
<tr>
<td>• 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</td>
</tr>
<tr>
<td>Provide market competitive pay</td>
</tr>
<tr>
<td>• Benchmark our total compensation against other organisations of similar size and standing in the markets we operate in</td>
</tr>
<tr>
<td>• Drive performance differentiation by benchmarking total compensation for top performing employees against the upper quartile or higher in each market</td>
</tr>
<tr>
<td>• Focus on achieving risk-adjusted returns that are consistent with prudent risk and capital management, as well as emphasise long-term sustainable outcomes</td>
</tr>
<tr>
<td>• Design payout structure to align incentive payments with the long-term performance of the Group through deferral and clawback arrangements</td>
</tr>
<tr>
<td>• Design sales incentive plans to encourage the right sales behaviours</td>
</tr>
</tbody>
</table>

Read more on DBS PRIDE! values on page 67.

For investor relations contact details, please see page 67.
2 Summary of current total compensation elements

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

<table>
<thead>
<tr>
<th>Elements</th>
<th>Purpose</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>Attract and retain talent by ensuring our fixed pay is competitive against comparable institutions</td>
<td>Set at an appropriate level, taking into account market dynamics as well as the skills, experience, responsibilities, competencies and performance of the employee</td>
</tr>
<tr>
<td>Cash bonus and deferred awards</td>
<td>Provide a portion of total compensation that is performance-linked</td>
<td>Based on DBS, business or support unit, and individual performance</td>
</tr>
<tr>
<td></td>
<td>Focus employees on the achievement of objectives which are aligned to value creation for our shareholders and multiple stakeholders</td>
<td>Measured against a balanced scorecard which is agreed to at the start of the year</td>
</tr>
<tr>
<td></td>
<td>Align to time horizon of risk</td>
<td>Awards in excess of a certain threshold are subject to a tiered deferral rate that ranges from 20% to 60% with a minimum deferral quantum</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Process</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determining total variable pay pool</td>
<td>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. The variable pay pool is further calibrated against the following prisms:</td>
</tr>
<tr>
<td></td>
<td>- Risk adjustment through review of Return on Risk-Adjusted Capital (ROBAC)</td>
</tr>
<tr>
<td></td>
<td>- Appropriate distribution of surplus earnings (after cost of equity) between employees and shareholders</td>
</tr>
<tr>
<td>Allocating pool to business units</td>
<td>Pool allocation takes into account the relative performance of each unit against their balanced scorecard as evaluated by the CEO</td>
</tr>
<tr>
<td></td>
<td>Inputs from control functions such as Audit, Compliance and Risk are sought</td>
</tr>
<tr>
<td></td>
<td>Country Heads are also consulted in the allocation process</td>
</tr>
<tr>
<td>Determining individual award</td>
<td>Unit heads cascade their allocated pool to their teams and individuals</td>
</tr>
<tr>
<td></td>
<td>Individual variable pay determined based on performance against goals and DBS PRDIE values</td>
</tr>
<tr>
<td></td>
<td>Employees with disciplinary warning meted out may have their variable pay impacted</td>
</tr>
</tbody>
</table>

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 10%.

4 Deferred remuneration

Plan objectives

- Foster a culture that aligns employees’ interests with shareholders
- Enable employees to share in DBS’ performance
- Help in talent retention
- 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

Main Award

- 33% vest two years after grant date
- Another 33% vest three years after grant date
- Remaining 34% vest four years after grant date

Retention Award

- 100% vest four years after grant date

Malus of unvested awards and clawback of vested awards

Malus and/or clawback will be triggered by
- 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

Deferred remuneration is paid in restricted shares (DBSH Share Plan) and comprises two elements: the main award and retention award

Vested and unvested awards are subject to clawback within seven years from the date of grant.

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 FSBB 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’s 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 FSBB, 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 is 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.

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.
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Senior Management</th>
<th>Material Risk Takers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total outstanding deferred remuneration(6):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>0.7%</td>
<td>99.3%</td>
</tr>
<tr>
<td>Shares and share-linked instruments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other forms of remuneration</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding deferred and retained remuneration(6):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of which exposed to ex-post adjustments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>0.7%</td>
<td>-</td>
</tr>
<tr>
<td>Shares and share-linked instruments</td>
<td>99.3%</td>
<td>-</td>
</tr>
<tr>
<td>Other forms of remuneration</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>-</td>
</tr>
<tr>
<td>Total amendment during the year due to ex-post explicit adjustments(6):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares and share-linked instruments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other forms of remuneration</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total amendment during the year due to ex-post implicit adjustments(6):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares and share-linked instruments</td>
<td>24.6%</td>
<td>27.1%</td>
</tr>
<tr>
<td>Other forms of remuneration</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total deferred remuneration paid out in the financial year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>31.1%</td>
<td>29.4%</td>
</tr>
<tr>
<td>Headcount</td>
<td>20</td>
<td>269</td>
</tr>
</tbody>
</table>

(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 either be 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 has 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 merit, stock awards or similar reversals or deemed realisations of awards. Examples of implicit ex-post adjustments include fluctuations in the value of DBSH ordinary shares or performance units
(6) Of unwarranted DBSH ordinary shares as at 31 Dec 21 x share price as at 31 Dec 21/ (No. of unwarranted DBSH ordinary shares as at 31 Dec 20 x share price as at 31 Dec 20) – 1

Guaranteed bonuses, sign-on bonuses and severance payments

<table>
<thead>
<tr>
<th>Category</th>
<th>SM</th>
<th>MRTs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of guaranteed bonuses</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of sign-on bonuses</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Number of severance payments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total amounts of above payments made during the Financial Year (SGD ‘000)</td>
<td>0</td>
<td>*</td>
</tr>
</tbody>
</table>

* 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 12.9%, 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)

<table>
<thead>
<tr>
<th>Category</th>
<th>Salary remuneration SGD</th>
<th>Cash bonus(1) SGD</th>
<th>Share Plan(1) SGD</th>
<th>Others(1) SGD</th>
<th>Total(1) SGD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Piyush Gupta</td>
<td>1,200,000</td>
<td>5,165,000</td>
<td>7,135,000</td>
<td>75,462</td>
<td>13,575,462</td>
</tr>
</tbody>
</table>

(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 DBSH ordinary shares granted in following year

Remuneration report
Our business model seeks to create value for stakeholders in a sustainable way.

Our strategy
Our strategy is predicated on Asia’s megatrends, including the rising middle class, growing intra-regional trade, urbanisation, technological innovation and a higher education level. We seek to leverage these megatrends to create value for our stakeholders.

Asian relationships
We recognise that relationships have swung roundabouts and stay by our clients through down cycles.

Asian service
Our service ethos is to be Respectful, Easy to deal with and Dependable.

Asian insights
We know Asia better: we provide unique Asian insights and create bespoke Asian products.

Asian innovation
We constantly innovate new ways of banking as we strive to make banking faster and simpler, while delivering contextualised and relevant Asian products and services.

Asian connectivity
We work in a collaborative manner across regions and businesses, supporting our customers as they expand across Asia.

Technology and infrastructure
Over the years, we have invested in our people and skills, and re-architected our technological backbone to be digital to the core (i.e. microservices, cloud-native, resilient and scalable).

To further think and behave like big technology companies where we can respond to rapidly changing consumer demands with agility and scale, we have re-engineered our business and technology towards a platform operating model where business and technology work together with shared KPIs in an agile manner.

In addition, we have embraced design thinking to deliver customer-centric front-end applications.

Nimbness and agility
We are a of “goldilocks” size – big enough to have meaningful scale yet nimble enough to quickly act on opportunities. We pivoted to manage through journeys to drive outcomes. This allows us to embed customer centricity, drive agility and increase internal collaboration by embracing experimentation, entrepreneurship and innovation.

Competent leadership
A strong, well-informed and fully-engaged board provides strategic direction to management. Management executes on strategy and drives performance and organisational synergies. A matrix reporting structure drives joint ownership between regional function heads and local country heads.

Balanced scorecard
We use a balanced scorecard approach to assess our performance, track the progress we have made in executing our strategy and determine remuneration.

The scorecard is divided into three parts and is balanced in the following ways:
• Between financial and non-financial performance indicators.
• Almost one-quarter of the total weighting is focused on control and compliance metrics.
• We have key performance indicators (KPIs) to track progress made on our digital transformation agenda and the value created from digitalisation.
• Across multiple stakeholders.
• Between current year targets and long-term strategic outcomes.

Effective internal controls
Our internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems.

Three lines of defence guard our operational excellence: identification and management of risks by units, independent oversight exercised by control functions, and independent assurance by Group Audit.

How we create value - our business model

DBS Annual Report 2021 | New Initiatives, New Growth

66
How we create value - our business model

67
We utilise and enhance our resources to differentiate ourselves and maximise value creation for our stakeholders in the long run. Read more about how we distribute the value created to our stakeholders on page 70.

<table>
<thead>
<tr>
<th>Resources</th>
<th>Indicators</th>
<th>2021</th>
<th>2020</th>
<th>Key highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand</td>
<td>Value according to “Brand Finance Banking 500” report</td>
<td>USD 8.7 bn as of Feb 2022</td>
<td>USD 7.8 bn as of Feb 2021</td>
<td>In 2021, DBS was named “World’s Best Bank” by Euromoney and “Global Bank of the Year” by Financial Times publication. The Banker. DBS was also previously named “Best Bank in the World” by Global Finance, achieving the unprecedented feat of having won the top award twice each from the leading global financial publications. We were named “World’s Best Digital Bank” by Euromoney in 2021, our third consecutive win (2019 to 2021). DBS has been awarded the “Best Bank in Asia” award by Global Finance. We were also named the “World’s Safest Commercial Bank” in 2021. DBS also retained the title of ASEAN’s Most Valuable Bank Brand in Brand Finance’s 2022 Banking 500 report. Read more about this on page 2.</td>
</tr>
<tr>
<td>Customer relationships</td>
<td>Putting customers at the heart of what we do helps differentiate ourselves in a rapidly commoditised banking market and build lasting relationships and deepen wallet share.</td>
<td>Customers: Institutional Banking - Consumer Banking - Wealth Management Customer engagement measures: (*) Worst, (**) Best. - Wealth Management - Consumer Banking - SME Banking - Large Corporates Market Penetration ranking</td>
<td>&gt;540,000</td>
<td>&gt;480,000</td>
</tr>
<tr>
<td>- &gt;11.8 m</td>
<td>&gt;10.7 m</td>
<td>For our IBG business, our customer base increased by 100% with the amalgamation of Lakshmi Vilas Bank. For our CBG business, our customer base increased by 2 million with the amalgamation of Lakshmi Vilas Bank. This is moderated by rationalising approximately 1 million wallets in India. We maintained strong customer engagement scores across segments and actively listened to the voice of our customers in order to improve customer journeys and digital innovations. For Asia-based large corporates, we improved our position from 4th to 2nd for market penetration across our core markets, amidst a tumultuous year when global business activity was hit by a resurgence of Covid-19. Read more about this on pages 30 to 42.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intellectual capital</td>
<td>Our core type of intellectual capital pertains to how we digitalise our business. Our digital transformation encompasses technology, customer journey training and a start-up culture.</td>
<td>Number of data analytics engineers</td>
<td>&gt;500</td>
<td>&gt;800</td>
</tr>
<tr>
<td>- Number of software engineers</td>
<td>&gt;7,300</td>
<td>&gt;6,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- External application programming interfaces (APIs)</td>
<td>&gt;1,300</td>
<td>&gt;1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Our global tech talent enabled us to run more than 200 predictive data analytics models, which enhanced our digital resilience through automating capacity planning for critical systems. As part of our Big to Small strategy, we rolled out an array of new APIs to enable the automation of trade finance processes and to help facilitate foreign exchange booking, bulk rate and transaction status related enquires, for our IBG customers.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>An agile and engaged workforce enables us to be nimble and react quickly to opportunities.</td>
<td>Employee engagement score</td>
<td>&gt;33,000</td>
<td>&gt;29,000</td>
</tr>
<tr>
<td>- Voluntary attrition rate</td>
<td>86%</td>
<td>84%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Training hours per employee</td>
<td>14%</td>
<td>8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 39.2</td>
<td>38.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- We continued to drive a learning culture to encourage employees to be data-driven, possess digital skills and pick up new skills to thrive in the new normal. Our group-wide voluntary attrition rate increased in line with market trends from 2020 but was comparable with pre-pandemic rates (2019). We launched a second edition of DBS FutureForward Week in 2021 with over 50 sessions organised for employees to future-proof themselves. We continue to make headway in the third year of our Transformational Leadership master plan, having further extended 165 phase 1 leaders to 335 leaders for the next 50 teams. We further enhanced our Building Great Managers programme to include new modules and launched a new social learning platform. T-Circles – to help managers with the necessary skills to operate seamlessly in a hybrid working environment. Read more about “Employee well-being and managing talent” in the Sustainability Report.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital infrastructure</td>
<td>We implicate the natural environment directly in our operations, as well as indirectly through our customers and suppliers.</td>
<td>Customers under Social Enterprise (SE) Package Value of SE grants awarded Number of SEs nurtured Employee volunteering hours</td>
<td>824</td>
<td>692</td>
</tr>
<tr>
<td>- Direct sustainable financing (ESG Bonds)***</td>
<td>SGD 20.5 bn</td>
<td>SGD 9.9 bn(6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Direct sustainable financing (ESG Bonds)***</td>
<td>SGD 23.5 bn</td>
<td>SGD 9.7 bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td>Our strong capital base and diversified funding sources allow us to support our customers through good and bad times, and enable us to provide banking solutions competitively.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Our best-in-class digital and physical infrastructure allow us to be nimble and resilient.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural resources</td>
<td>We expanded our suite of sustainable financing solutions to corporate customers to better support them in pursuing sustainable projects and improving various other sustainability initiatives. Read more about “Responsible financing” and “Managing our environmental footprint” in the Sustainability Report.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Scale: 1 = worst and 5 = best. Source: Based on Customer Satisfaction Survey conducted by Ann Harriet, Ipsos, and Quatrums for Wealth Management; Ipsos and Quatrums for Consumer Banking; Asia Solution Singapore for SME Banking; and Coalition Research & Consulting Corporates Marketer’s Report-ranking. (2) This figure refers to the total personnel, cost/energy and employee headcount as DBS personnel. (3) This relates to the current digital infrastructure investment, which includes investments for new licence costs, IT initiatives and enhancements and investments to keep applications running. (4) This includes the total amount of sustainability-linked loans, green loans, renewable and other energy-related loans, social and sustainable loans, committed in the year. (5) This includes the total amount of project and asset financing arranged and funded by the bank. (6) This includes the total amount of new loans, new lines of credit, refinanced loans and other credits arranged and funded by the bank. (7) This includes the total amount of sustainable lending commitments funded by the bank. (8) This includes the total amount of new loans, new lines of credit, refinanced loans and other credits arranged and funded by the bank. (9) DBS Foundation continued to nurture SEIs – businesses for impact – through the DBS Foundation Grant Programme and various capacity-building initiatives. We provided a record amount in grant funding to 19 SEIs through the 2021 grant programme. The grant funding is aimed at catalysing their growth, enabling the creation of greater social and environmental impact. Our employees continued to serve the community through a hybrid of digital and in-person volunteering programmes. We continue to support community segments harnessed hit by the pandemic, in addition to our efforts in the areas of education, environment and social mobility. Read more about the “Social entrepreneurship” and “Employee volunteering” in the Sustainability Report.
HOW WE DISTRIBUTE VALUE CREATED

Distributable financial value

- **46%** Retained earnings
  - Retained for business growth
- **31%** Shareholders
  - Dividends paid to ordinary and preference shareholders and holders of perpetual capital securities
- **12%** Society
  - Contributions to society through direct and indirect taxes, and community investments including donations, in-kind contributions and the cost of managing DBS Foundation
- **11%** Employees
  - Discretionary bonus paid to employees through variable cash bonus and long-term incentives

We distribute value to our stakeholders in several ways: some in financial value, others in intangible benefits.

- **Customers**
  - Delivering suitable products in an innovative, easily accessible and responsible way.
  - Read more about this on pages 38 to 45.

- **Employees**
  - Re-designing hybrid work environment that is collaborative, dailign up engagement programmes, enhancing learning and development, as well as providing health and other benefits for our employees.
  - Read more about “Employee well-being and managing talent” in the Sustainability Report.

- **Society**
  - Championing social enterprises, promoting financial inclusion, and supporting communities through volunteer programmes, donations, and other in-kind contributions.
  - Read more about “Societ entrepreneurship” in the Sustainability Report.

- **Regulators**
  - Engaging with local and global regulators and policy makers on reforms and new initiatives that help to maintain the integrity of the banking industry.
  - Read more about this on pages 76 to 77.

MATERIAL MATTERS

Material matters have the most impact on our ability to create long-term value as a bank. These matters influence how the Board and senior management steer the bank.

- **Identify** matters that may impact the execution of our strategy. This is a group-wide effort considering input from all business and support units, and incorporating feedback from stakeholders.
  - Read more about our stakeholder engagement on pages 76 to 77.

- **Prioritise** matters that most significantly impact our ability to successfully execute our strategy in delivering long-term value and influencing the decisions of key stakeholders.

- **Integrate** these matters that are material to value creation into our balanced scorecard to set objectives, drive behaviours, measure performance and determine the remuneration of our people.
  - Read more about our balanced scorecard approach under “Our 2021 priorities” on pages 28 to 33.

In 2021, we re-validated the findings of our materiality assessment that had been completed in the prior year. The process included desktop research of external trends, data analysis, and regular dialogues with our key stakeholders through various platforms and feedback channels to gain insights and identify matters of key relevance to them.

“Responsible financing”, “Employee well-being and managing talent”, and “Preventing financial crime” were elevated in materiality. We consider these matters to be of increased importance as climate change, changing needs of employees, and the growing number of scams are key risks we need to sharpen our focus on.

> Read more about material ESG matters in the Sustainability Report.

We define distributable financial value as net profit before discretionary bonus, taxes (direct and indirect) and community investments. In 2021, the distributable financial value amounted to SGD 8.88 billion (2020: SGD 6.29 billion).

In addition, we distribute non-financial value to our stakeholders in the following ways.

- **Society**
  - Championing social enterprises, promoting financial inclusion, and supporting communities through volunteer programmes, donations, and other in-kind contributions.
  - Read more about “Social entrepreneurship” in the Sustainability Report.

- **Regulators**
  - Engaging with local and global regulators and policy makers on reforms and new initiatives that help to maintain the integrity of the banking industry.
  - Read more about this on pages 76 to 77.

**DBS 2021 Materiality matrix**

**Impact to DBS**
- Financial inclusion
- Responsible financing
- Cyber security
- Data governance
- Ecosystem partnerships
- Employee well-being and managing talent
- Transparency

**Impact to Society**
- Macroeconomic, geopolitical and tail risks
- Ecosystem partnerships
- Fair dealing
- Digital transformation
- Cyber security
- Mastering data and artificial intelligence
- Employee well-being and managing talent
- Transparency

**Impact to Value Creation**
- Financial
- Inclusion
- Prevening financial crime
- Data governance
- Responsible financing
- Transparency

**Distributable financial value**

- **2021** SGD 8.88 bn
- **2020** SGD 6.29 bn
<table>
<thead>
<tr>
<th>Material matters</th>
<th>What are the risks?</th>
<th>Where do we see the opportunities?</th>
<th>What are we doing about it?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macroeconomic, geopolitical and tail risks</td>
<td>Rising inflation driven by the gradual reopening of economies, impending interest rate hikes by central banks, and limited scope for fresh fiscal stimulus may lead to lower economic growth and increased vulnerability in the SME segment.</td>
<td>Higher interest rates will drive more fund-raising activities as corporates seek to lock in lower rates, and hedge against existing floating rate loans. In addition, the gradual reopening of economies will lead to more trade and travel. These open up opportunities for our capital markets, treasury, syndication, trade and retail businesses.</td>
<td>Our business franchise and balance sheet strength enabled us to swiftly capture regional opportunities as economies recovered. Business momentum was sustained throughout the year. Additionally, we had conservatively built up allowance reserves at the onset of the pandemic in 2020, which enabled us to benefit from asset quality improvements in 2021. We continued to invest in our long-term growth strategy. We acquired a 13% stake in Shenzhen Rural Commercial Bank and established a securities joint venture in China, while expanding on our digital capabilities in our core banking business.</td>
</tr>
<tr>
<td>Digital transformation</td>
<td>The pandemic has accelerated investments in digital transformation across all industries and increased the technological capabilities of all players. Customers are also becoming increasingly digitally-savvy, driving demand for digital innovations that offer greater convenience and an enhanced banking experience.</td>
<td>Our investments in new technologies and our digital transformation over the last nine years have enabled us to offer a differentiated experience to our customers, by making banking joyful. Banks that are able to deliver a seamless and differentiated experience will gain a greater wallet share of revenue.</td>
<td>We have pivoted to managing through journeys for our critical customer processes by organising horizontally across units and leveraging on data-driven operating models. This encourages greater accountability across teams and breaks silo thinking, enabling the banks to deliver a differentiated customer experience.</td>
</tr>
<tr>
<td>Mastering data and artificial intelligence (AI)</td>
<td>As banks rise to the challenge of meeting consumer demand for banking experiences that are intuitive, they will need to re-architect legacy technology and their data stack. Inability to manage this transition and derive benefits from AI technologies will result in loss of competitiveness and market share.</td>
<td>A clear strategy for data and AI delivered in our business operating model will help drive greater economic value through: (i) increased personalisation and improved experiences in customer and employee journeys; (ii) greater operational efficiencies and lower costs through higher automation; (iii) improved risk decisioning with new AI machine-learning models that leverage existing and new data sets; and (iv) more rapid innovation of new products/services.</td>
<td>We have made AI central to our core strategy, and incorporated AI technologies into our management and operation processes. We have developed ALAN, an AI protocol platform, and integrated it with ADA, our data platform. These platforms enable our data scientists to shorten the cycle time required to build compliant AI models, and accelerate deployment of the models to improve our operations and decision-making, to deliver a differentiated customer experience.</td>
</tr>
<tr>
<td>Data governance</td>
<td>Rapid digitalisation has intensified data collection and data analytics use to drive new business initiatives. This has led to greater demand for enhanced standards of data protection and privacy. A weak data governance framework for data capturing, data quality and access will increase the risk of financial losses, regulatory fines and reputational damage.</td>
<td>Strong data governance programmes will deliver faster and sharper insights for decision-making, and enhance risk and fraud management to deliver positive business outcomes. In addition, it will enable intelligent use of data to build trust with our customers and deepen our relationships with them.</td>
<td>Read more in “Data governance” in the Sustainability Report.</td>
</tr>
<tr>
<td>Employee well-being and managing talent</td>
<td>The pandemic has permanently changed the way we live, learn and work. Employees seek flexibility in how they work — preferring a blend of working from home and in office. In addition, the prolonged pandemic has also impacted the mental well-being of the workforce. Companies unable to re-orientate their work practices and fail to pay greater attention to employee well-being will risk talent loss.</td>
<td>We believe that offering a conducive and collaborative hybrid work environment and employee engagement programmes, will help attract and retain the best talent for our workforce.</td>
<td>Read more in “Employee well-being and managing talent” in the Sustainability Report.</td>
</tr>
<tr>
<td>Ecosystem partnerships</td>
<td>E-commerce platforms are being adopted by corporates for supply chain management and by consumers for shopping and everyday needs. Parts of the revenue pool of financial services are shifting from traditional banking channels to digital platforms.</td>
<td>Banks that embed their financial services seamlessly within digital ecosystems will gain a disproportionate share of the revenue pool. Our extensive suite of application programming interfaces (APIs) positions us to provide seamless payment and financing solutions for e-commerce platforms, offering customers a differentiated experience.</td>
<td>We continue to build new partnerships with corporate supply chain ecosystems and consumer finance platforms to offer digital financing and payment solutions. In addition, we are leveraging blockchain and AI technologies, to collaborate in industry verticals and financial market infrastructure ecosystems.</td>
</tr>
</tbody>
</table>

Read more in “2021 Priorities” on pages 28 to 33.
<table>
<thead>
<tr>
<th>Material matters</th>
<th>What are the risks?</th>
<th>Where do we see the opportunities?</th>
<th>What are we doing about it?</th>
</tr>
</thead>
</table>
| Responsible financing    | We integrate environmental, social and governance (ESG) risks in our financing to promote sustainable economic growth and our long-term stability. We prioritise action on climate change given the urgency. Failure to do so may result in missed opportunities and in credit and reputational risks.                                                                                           | Responsible financing is paramount to supporting a green recovery and ensuring a just transition.                                                                                                                                                                                                                                                                                                         | Determining suitable transition pathways for our customers enables us to build strong client relationships in sustainable financing and advance our net-zero commitment.  
  Read more in “Responsible financing” in the Sustainability Report.                                                                                                                                                                                                                                                                                                                   |
| Financial inclusion      | The pandemic has widened the income and wealth gap, which marginalises certain segments of the community, weakens social cohesion and undermines prospects for an inclusive recovery.                                                                                                                                                                                                                                                                                                                                 | Technology can make banking more inclusive and help communities achieve better financial health and well-being.                                                                                                                                                                                                                                                                                   | We are democratising access to financial solutions for the underbanked and addressing the financing gap for small businesses.  
  Read more about “Consumer Banking/Wealth Management” on pages 40 and 41 and “Financial inclusion” in the Sustainability Report.                                                                                                                                                                                                                                      |
| Preventing financial crime | Financial crime is a growing threat. It has evolved with the rapid advancement of digital technology and more efficient channels of fund transfers, resulting in heightened fraud and scam risks.                                                                                                                     | A robust governance framework and comprehensive data analytics and systems capability prevent financial crimes and protects our customers and businesses.                                                                                                                                                                                             | Read more in “CRO statement” on pages 34 and 35 and “Preventing financial crime” in the Sustainability Report.                                                                                                                                                                                                                          |
| Cyber security           | Business transactions have migrated online, while remote and hybrid work has become the new norm. New risks have emerged as cyber threat actors exploit gaps in the broadening technology environment, and amidst the changing business and operational environment.                                                                                                                             | A strong cyber security strategy builds confidence, and differentiates us in an increasingly digital space.                                                                                                                                                                                                                   | Read more in “CRO statement” on pages 34 and 35 and “Cyber security” in the Sustainability Report.                                                                                                                                                                                                                     |
| Fair dealing             | Customers expect us to put their interests first by providing relevant information and appropriate recommendations in conducting our business.                                                                                                                                                                                                                                                                                                                                                     | Fair dealing is fundamental to our business, and we believe customers are more likely to bank with us when they trust we are fair and transparent.                                                                                                                                                                                                                                           | Read more about “Fair dealing” in the Sustainability Report.                                                                                                                                                                                                                                                                                                                                          |
| Transparency             | Calls for more transparency in disclosure have been made to promote good governance, trust and decision-making. Failure to adequately respond may give rise to regulatory and reputation risks.                                                                                                                                                                                                                                                                                                                | Greater transparency builds trust with customers, which helps grow share of wallet. It will also improve the speed of dispute resolution with customers and protect the reputation of the bank.                                                                                                                                                  | Read more about “Corporate governance” on pages 44 to 60.                                                                                                                                                                                                                                                                                                                                          |
### Dialogue and collaboration with our key stakeholders

#### How did we engage?

1. Impact on business outlook and credit quality: From reduced government support as economies progressively recover and borders reopen. Pressure from supply chain bottlenecks, China regulatory changes and the impact of rising interest rates attracted more interest in the second half of the year.
2. High Common Equity Tier 1 (CET-1) levels and the prospect for higher dividends.
3. Environmental, social and governance (ESG) commitments and our progress towards targets. Particular interest in how we work with customers to reduce their carbon footprints.

#### What did we do?

1. We provided detailed disclosures and commentary on business outlook, financial performance and credit quality.
2. We reiterated our policy to pay sustainable dividends that grow progressively with earnings, and also confirmed our CET-1 operating range.
3. We responded to investor queries through various engagements and highlighted our Sustainability Report which explains our three-pillar approach to ESG responsible banking, responsible business practices, and impact beyond banking. The details on our approach to responsible financing and how we manage climate risk attracted the most interest.

#### Read more in "Financial Reporting" on page 20 and "Stakeholder engagement" and "Balanced ESG-related awards, indices and ratings" in the Sustainability Report.

#### How did we respond?

1. Customer requests for working capital support to fuel their growth beyond the pandemic.
2. Enhanced digital experience and security to make banking simpler, safer and more intuitive.
3. Concerns over fee discipline impacted customer satisfaction.
4. Growing interest in sustainable investing among private banking clients driving the widening demand for products and solutions that cater to a sustainable lifestyle.

#### Read more in "Understanding the material risks and policy makers" on page 76.

#### What do our stakeholders care about?

1. Questions covering topics from overall corporate strategy and business, culture, technology and workplace management, employee compensation, benefits and welfare, to customer experience, were raised through our Tell Piyush and quarterly townhalls.
2. In our annual employee engagement survey, our best-performing indicators are reflected in the areas of Diversity and Inclusion, Learning and Development, Risk and Control Culture, and Brand.
3. Engagement issues, such as survey follow-ups and managerial effectiveness, are among the other regular feedback received throughout the year.

#### Read more in "Governance" on page 80.
RISK MANAGEMENT

The sections marked by a grey line in the left margin form part of the Group’s audited financial statements. Please refer to Pillar 3 and Other Regulatory Disclosures for other risk disclosures.

1 Risk overview

Business and strategic risk

Overarching risk arising from adverse business and economic changes materially affect DBS’ long-term objectives. This risk is managed separately under other governance processes.

Read more about this on page 77.

Credit risk

Risk arising from borrowers or counterparties failing to meet their debt or contractual obligations.

Read more about this on page 81.

Market risk

Risk arising from adverse changes in interest rates, foreign exchange rates, equity prices, credit spreads and commodity prices, as well as related factors.

Read more about this on page 88.

Operational risk

Risk arising from inadequate or failed internal processes, people or systems, or from external events. It includes legal risk, but excludes strategic and reputational risk.

Read more about this on page 94.

Reputational risk

Risk that arises if our shareholder value (including earnings and capital) is adversely affected by any negative stakeholder perception of DBS’ image. This influences our ability to establish new relationships or services, service existing relationships and have continued access to sources of funding. Reputational risk usually occurs when the other risks are poorly managed.

Read more about this on page 96.

2 Risk-taking and our business segments

As we focus on Asia’s markets, we are exposed to concentration risks within the region. We manage this by diversifying our risks across industries and individual exposures. In addition, DBS relies on the specialist knowledge of our regional markets and industry segments to effectively assess our risks. The chart below provides an overview of the risks arising from our business segments. The asset size of each business segment reflects its contribution to the balance sheet, and the risk-weighted assets (RWA) offer a risk-adjusted perspective.

Refer to Note 45 to the financial statements on page 181 for more information about DBS’ business segments

<table>
<thead>
<tr>
<th>SGD million</th>
<th>Consumer Banking/Wealth Management</th>
<th>Institutional Banking</th>
<th>Treasury Markets</th>
<th>Others(b)</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets(b)</td>
<td>127,268</td>
<td>313,180</td>
<td>163,554</td>
<td>76,709</td>
<td>680,711</td>
</tr>
<tr>
<td>Risk-weighted assets</td>
<td>50,252</td>
<td>220,012</td>
<td>44,532</td>
<td>27,895</td>
<td>342,691</td>
</tr>
<tr>
<td>% of RWA</td>
<td>Consumer Banking/Wealth Management</td>
<td>Institutional Banking</td>
<td>Treasury Markets</td>
<td>Others(b)</td>
<td>Group</td>
</tr>
<tr>
<td>Credit risk</td>
<td>83</td>
<td>95</td>
<td>53</td>
<td>74</td>
<td>86</td>
</tr>
<tr>
<td>Market risk</td>
<td>0</td>
<td>0</td>
<td>42</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Operational risk</td>
<td>17</td>
<td>5</td>
<td>5</td>
<td>8</td>
<td>7</td>
</tr>
</tbody>
</table>

(a) Encompasses assets/ RWA from capital and balance sheet management, funding and liquidity activities, DBS Vickers Group and The Islamic Bank of Asia Limited
(b) Before goodwill and intangibles

3 Risk governance

The Board oversees DBS’ affairs and provides sound leadership for the CEO and management. Authorised by the Board, various Board committees oversee specific responsibilities based on clearly defined terms of reference.

Under our risk management approach, the Board, through the Board Risk Management Committee (BRMC), sets our Risk Appetite, oversees the establishment of enterprise-wide risk management policies and processes, and establishes risk appetite limits to guide DBS’ risk-taking.

Group Board

- Board of Directors
- Board Audit Committee
- Board Executive Committee
- Board Risk Management Committee
- Board Sustainability Committee
- Compensation and Management Development Committee
- Nominating Committee

Group CEO

- Group Executive Committee
- Group Management Committee
- Group Asset and Liability Committee
- Group Capital Committee
- Group Disclosure Committee
- Group Expected Credit Loss (ECL) Review Committee
- Fair Dealing and Conduct Committee
- Group Human Capital Committee
- Group Sustainability Council
- Group Valuation Committee
- Risk Executive Committee

Group Management

- Group Credit Risk Committee
- Group Credit Policy Committee
- Group Credit Risk Models Committee
- Group Market and Liquidity Risk Committee
- Group Operational Risk Committee
- Group Scenario and Stress Testing Committee
- Product Approval Committee

Location Board and Management

- Location Board/Board Committees
- Location Management Committees
- Location Risk Committees
- Business Control Committees

Note: The lines reflect possible escalation protocols and are not reporting lines per se
risk management committees

Risk Executive Committee (Risk EXCO) - As the overall executive body regarding risk matters, the Risk EXCO oversees DBS' risk management.

Group Credit Risk Committee (GCRK) - Each of the committees reports to the Risk EXCO, and serves as an executive forum to discuss and implement DBS' risk management.

Group Credit Policy Committee (G CPC) - Key responsibilities:
- Audits and approves risk-taking activities
- Oversees DBS' risk management infrastructure, which includes frameworks, decision criteria, authorities, people, policies, standards, processes, information and systems
- Approves risk policies such as model governance standards, stress testing scenarios, and the evaluation and endorsement of risk models
- Assesses and monitors specific credit concentration
- Recommends stress-testing scenarios (including macroeconomic variable projections) and reviews the results

Group Scenario and Stress Testing Committee (GSSTC) - The members in these committees comprise representatives from the Risk Management Group (RMG) as well as key business and support units.

Product Approval Committee (PAC) - The PAC provides group-wide oversight and direction for the approval of new product and outsourcing initiatives. It evaluates new product and outsourcing initiatives to ensure that they are in line with the Group's strategy and risk appetite.

Most of the above committees are supported by local risk committees in all major locations, where appropriate. These local risk committees oversee the local risk positions for all businesses and support units, ensuring that they keep within limits set by the Group risk committees. They also adopt location-specific risk policies.

The Chief Risk Officer (CRO), who is a member of the Group Executive Committee and reports to the Chairman of the BRMC and the CEO, oversees the risk management function. The CRO is independent of business lines and is actively involved in key decision-making processes. He often engages with regulators to discuss risk matters, enabling a more holistic risk management perspective.

Working closely with the risk and business committees, the CRO is responsible for the following:
- Management of DBS' risk, including systems and processes to identify, approve, measure, monitor, control and report risks
- Engagement with senior management about material matters regarding all risk types
- Development of risk controls and mitigation processes
- Ensuring DBS' risk management is effective, and the Risk Appetite established by the Board is adhered to

4 Risk Appetite

DBS’ Risk Appetite is set by the Board and governed by the Risk Appetite Policy, which articulates the risks that we are willing to accept. It also serves to reinforce our risk culture by setting a clear message from the tone from the top. A strong organisational risk culture, complemented with a balanced incentive framework (refer to “Remuneration Report” section on page 61), helps to further embed our Risk Appetite.

4.1 Risk thresholds and economic capital usage

Our Risk Appetite takes into account a spectrum of risk types and is implemented using thresholds, policies, processes and controls.

Setting thresholds is essential in making DBS’ Risk Appetite an intrinsic part of our businesses as they help to keep all our risks within acceptable levels. Portfolio risk limits for the quantifiable risk types are established top-down, and these are implemented using frameworks. As for the non-quantifiable risk types, these are managed using qualitative principles.

To ensure that the thresholds pertaining to our Risk Appetite are completely risk sensitive, we have adopted both economic capital (EC) and regulatory capital (RC) as our risk metrics. Additionally, both EC and RC are assessed as part of our Internal Capital Adequacy Assessment Process (ICAAP).

Our capital allocation structure monitors regulatory capital demand at the business unit level, while other quantitative or qualitative controls are used to manage risks at granular levels. The risk types that are managed using capital are credit, market and operational risks. The diagram on the next page shows how they are managed along the dimensions of customer-facing and non-customer-facing units.

As a commercial bank, DBS allocates more capital to our customer-facing units, as compared to non-customer-facing units. A buffer is also maintained for other risks, such as country, reputational, model risks, etc.

4.2 Stress testing

Stress testing is an integral part of our risk management process. It includes both sensitivity analysis and scenario analysis, and is conducted regularly. In particular, the ICAAP (a group-wide exercise spanning different risk types) is performed annually. In addition, stress tests are carried out in response to macroeconomic and macroeconomic conditions, or portfolio developments. Every stress test is documented and the results are reviewed by senior management and/or the BRMC.

Stress testing alerts senior management to our potential vulnerability to exceptional but plausible adverse events. As such, stress testing enables us to assess capital adequacy and identify potentially risky portfolio segments, as well as inherent systematic risks. This then allows us to develop the right contingency plans, exit strategies and mitigating actions beforehand.

The ICAAP ensures our business plans are consistent with our Risk Appetite. This is done by comparing the projected demand for capital to the projected supply of capital under various scenarios, including severe macroeconomic stress.

5 Credit risk

The most significant measurable risk DBS faces are credit risk - arises from our daily activities in our various businesses. These activities include lending to retail, corporate and institutional customers. It includes the risk of lending, pre-settlement and settlement risk of foreign exchange, derivatives and debt securities.

Refer to note 42 in the financial statements on page 113 for details on DBS’ maximum exposure to credit risk.

The BRMC also oversees the identification, monitoring, management and reporting of credit, market, liquidity, operational and reputational risks. To facilitate the BRMC’s risk oversight, the following risk management committees have been established.

<table>
<thead>
<tr>
<th>Risk Management Committees</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Executive Committee (Risk EXCO)</td>
<td>As the overall executive body regarding risk matters, the Risk EXCO oversees DBS' risk management.</td>
</tr>
<tr>
<td>Group Credit Risk Committee (GCRK)</td>
<td>Each of the committees reports to the Risk EXCO, and serves as an executive forum to discuss and implement DBS' risk management.</td>
</tr>
<tr>
<td>Group Credit Policy Committee (G CPC)</td>
<td>Key responsibilities:</td>
</tr>
<tr>
<td>Group Scenario and Stress Testing Committee (GSSTC)</td>
<td>- Audits and approves risk-taking activities - Oversees DBS' risk management infrastructure, which includes frameworks, decision criteria, authorities, people, policies, standards, processes, information and systems - Approves risk policies such as model governance standards, stress testing scenarios, and the evaluation and endorsement of risk models - Assesses and monitors specific credit concentration - Recommends stress-testing scenarios (including macroeconomic variable projections) and reviews the results</td>
</tr>
<tr>
<td>Product Approval Committee (PAC)</td>
<td>The PAC provides group-wide oversight and direction for the approval of new product and outsourcing initiatives. It evaluates new product and outsourcing initiatives to ensure that they are in line with the Group's strategy and risk appetite.</td>
</tr>
</tbody>
</table>

4 Risk Appetite

DBS’ Risk Appetite is set by the Board and governed by the Risk Appetite Policy, which articulates the risks that we are willing to accept. It also serves to reinforce our risk culture by setting a clear message from the tone from the top. A strong organisational risk culture, complemented with a balanced incentive framework (refer to “Remuneration Report” section on page 61), helps to further embed our Risk Appetite.

4.1 Risk thresholds and economic capital usage

Our Risk Appetite takes into account a spectrum of risk types and is implemented using thresholds, policies, processes and controls.

Setting thresholds is essential in making DBS’ Risk Appetite an intrinsic part of our businesses as they help to keep all our risks within acceptable levels. Portfolio risk limits for the quantifiable risk types are established top-down, and these are implemented using frameworks. As for the non-quantifiable risk types, these are managed using qualitative principles.

To ensure that the thresholds pertaining to our Risk Appetite are completely risk sensitive, we have adopted both economic capital (EC) and regulatory capital (RC) as our risk metrics. Additionally, both EC and RC are assessed as part of our Internal Capital Adequacy Assessment Process (ICAAP).

Our capital allocation structure monitors regulatory capital demand at the business unit level, while other quantitative or qualitative controls are used to manage risks at granular levels. The risk types that are managed using capital are credit, market and operational risks. The diagram on the next page shows how they are managed along the dimensions of customer-facing and non-customer-facing units.

As a commercial bank, DBS allocates more capital to our customer-facing units, as compared to non-customer-facing units. A buffer is also maintained for other risks, such as country, reputational, model risks, etc.

4.2 Stress testing

Stress testing is an integral part of our risk management process. It includes both sensitivity analysis and scenario analysis, and is conducted regularly. In particular, the ICAAP (a group-wide exercise spanning different risk types) is performed annually. In addition, stress tests are carried out in response to macroeconomic and macroeconomic conditions, or portfolio developments. Every stress test is documented and the results are reviewed by senior management and/or the BRMC.

Stress testing alerts senior management to our potential vulnerability to exceptional but plausible adverse events. As such, stress testing enables us to assess capital adequacy and identify potentially risky portfolio segments, as well as inherent systematic risks. This then allows us to develop the right contingency plans, exit strategies and mitigating actions beforehand.

The ICAAP ensures our business plans are consistent with our Risk Appetite. This is done by comparing the projected demand for capital to the projected supply of capital under various scenarios, including severe macroeconomic stress.

5 Credit risk

The most significant measurable risk DBS faces are credit risk - arises from our daily activities in our various businesses. These activities include lending to retail, corporate and institutional customers. It includes the risk of lending, pre-settlement and settlement risk of foreign exchange, derivatives and debt securities.

Refer to note 42 in the financial statements on page 113 for details on DBS’ maximum exposure to credit risk.
5.1 Credit risk management

DBS’ approach to credit risk management comprises the following building blocks:

- **Pillar 1 credit stress testing**
  - DBS conducts Pillar 1 credit stress testing regularly as required by regulators. Under Pillar 1 credit stress testing, DBS assesses the impact of a mild stress scenario (at least two consecutive quarters of zero GDP growth) on internal ratings-based (IRB) estimates (i.e., PD, LGD, and EAD) and the impact on regulatory capital. The purpose of the Pillar 1 credit stress test is to assess the robustness of internal credit risk models and the cushion above minimum regulatory capital.

- **Pillar 2 credit stress testing**
  - DBS conducts Pillar 2 credit stress testing once a year as part of the ICAAP. Under Pillar 2 credit stress testing, DBS assesses the impact of stress scenarios, with different levels of severity, on asset quality, earnings performance as well as internal and regulatory capital. The results of the credit stress test form inputs to the capital planning process under ICAAP. The purpose of the Pillar 2 credit stress testing is to examine, in a rigorous and forward-looking manner, the possible events or changes in market conditions that could adversely impact DBS and to develop the appropriate action plan.

- **Industry-wide stress testing**
  - DBS participates in the annual industry-wide stress test (IWST) conducted by the Monetary Authority of Singapore (MAS) to facilitate the ongoing assessment of Singapore’s financial stability. Under the IWST, DBS is required to assess the impact of adverse scenarios, as defined by the regulator, on asset quality, earnings performance and capital adequacy.

- **Process, systems and reports**
  - DBS conducts Pillar 1 and Pillar 2 credit stress testing and has processes in place to guide the handling of specific risk scenarios. DBS also has processes in place to track and monitor the impact of these scenarios.

- **Risk methodologies**
  - DBS uses a range of methodologies to manage credit risk, including the internal rating-based (IRB) approach, the standardised approach, and the internal model approach (IMA).

- **Pillar 3**
  - Pillar 3 assessments focus on ensuring that credit risk management is conducted in a transparent and consistent manner. DBS engages in Pillar 3 discussions to assess the adequacy of its credit risk management framework and to ensure compliance with regulatory requirements.

- **Credit risk management**
  - DBS uses a combination of internal and external credit risk management tools to assess and manage credit risk. These tools include credit risk models, stress testing, and risk management frameworks.

- **Pillar 4**
  - Pillar 4 addresses the role of shareholders, supervisory boards, and management in ensuring effective credit risk management. DBS ensures that these groups are involved in the credit risk management process and are held accountable for the outcomes.

- **Pillar 5**
  - Pillar 5 focuses on the role of supervisors in ensuring effective credit risk management. DBS engages in Pillar 5 discussions to assess the effectiveness of its credit risk management framework and to ensure compliance with regulatory requirements.

- **Credit risk management**
  - DBS uses a range of methodologies to manage credit risk, including the internal rating-based (IRB) approach, the standardised approach, and the internal model approach (IMA).

- **Pillar 3**
  - Pillar 3 assessments focus on ensuring that credit risk management is conducted in a transparent and consistent manner. DBS engages in Pillar 3 discussions to assess the adequacy of its credit risk management framework and to ensure compliance with regulatory requirements.

- **Credit risk management**
  - DBS uses a combination of internal and external credit risk management tools to assess and manage credit risk. These tools include credit risk models, stress testing, and risk management frameworks.

- **Pillar 4**
  - Pillar 4 addresses the role of shareholders, supervisory boards, and management in ensuring effective credit risk management. DBS ensures that these groups are involved in the credit risk management process and are held accountable for the outcomes.

- **Pillar 5**
  - Pillar 5 focuses on the role of supervisors in ensuring effective credit risk management. DBS engages in Pillar 5 discussions to assess the effectiveness of its credit risk management framework and to ensure compliance with regulatory requirements.
In general, specific allowances are recognised for defaulting credit exposures rated substandard and below. The breakthrough of our NPA by loan grade and industry and the related conversion and classification guidelines can be found in Note 42.2 to the financial statements on page 171. A breakdown of past due loans can also be found in the same note. When required, we will take possession of all collateral and dispose of them as soon as practicable. Realised proceeds are used to reduce outstanding indebtedness.

A breakdown of vulnerability by NA in shown in Note 42.2 to the financial statements on page 171. Repossessed collateral is classified in the balance sheet as other assets. The amounts of such other assets for 2020 and 2021 were not material.

5.2 Credit risk mitigants

Collateral received

Where possible, DBS takes collateral as a secondary source of repayment. This includes, but is not limited to, cash, marketable securities, real estate, trade receivables, inventory, equipment, and other physical and/or financial collateral. We may also take fixed and floating charges on the assets of borrowers.

Policies are in place to determine the eligibility of collateral for credit risk mitigation. Collateral is generally diversified and periodic valuations of collateral are required. Real estate constitutes the bulk of our collateral while marketable securities and cash are immaterial. For derivatives, repurchase agreements (repos) and repo-style transactions with financial market counterparties, collateral arrangements are typically covered under market-standard documentation, such as International Swaps & Derivatives Association (ISDA) Agreements and Master Repurchase Agreements.

Collateral posted

DBS is required to post additional collateral in the event of a rating downgrade. As at 31 December 2021, for a three-notch downgrade of its Standard & Poor’s Ratings, DBS and Moody’s Investors Services Ratings, DBS will have to post additional collateral amounting to SGD 2 million (2020: SGD 1 million).

Other credit risk mitigants

DBS accepts guarantees as credit risk mitigants. Internal requirements for considering the eligibility of guarantees for credit risk mitigation are in place.

5.3 Internal credit risk models

DBS adopts rating systems for the different asset classes under the Internal Ratings - Based Approach (IRBA).

There is a robust governance process for the development, independent validation and approval of any credit risk model. The models go through a rigorous review process before they are endorsed by the GRCRM and Risk EXCO. They must also be approved by the BRMC before submission for regulatory approval. The key risk measures generated by the internal credit risk rating models to quantify regulatory capital include PD, LGD and EAAD. For portfolios under the Foundation IRBA, internal estimates of PD, LGD and EAD are used. For portfolios under the Advanced IRBA, internal estimates of PD, LGD and EAD are applied. For portfolios under the Advanced IRBA, EAD estimates are applied. For portfolios under the Advanced IRBA, EAD estimates are applied. In such cases, DBS follows the supervisory slotting criteria to map the sovereign risk to an equivalent country in the objective and systematic manner. PRM

Bank exposures are assessed using the bank-rating model. The model considers both quantitative and qualitative factors such as capital levels and liquidity, asset quality and management strength.

Large corporate exposures are assessed using internal rating models. Factors considered in the risk assessment process include the counterparty’s financial strength and qualitative factors such as industry risk, access to funding, market standing and management strength. SME credit rating models consider risk factors such as those relating to the counterparty’s financial strength, qualitative factors, as well as account performance.

Credit risk ratings under the IRBA portfolios are at a minimum, reviewed by designated independent annual basis unless credit conditions require more frequent assessment.

5.3.3 Specialised lending exposures

Specialised lending IRBA portfolios include income-generating real estate, project finance, object finance, and commodity finance. These portfolios are typically more complex and do not fall under the Foundation IRBA or for portfolios that are immaterial in terms of size and profile. These portfolios include:

• IRBA-transacting retail and wholesale exposures
• IRBA-exempt retail exposures
• IRBA-exempt wholesale exposures

Any identified retail transacting or wholesale exposure is expected to be transferred to IRBA for portfolios that are immaterial in terms of size and profile. These portfolios include:

• IRBA-transacting retail and wholesale exposures
• IRBA-exempt retail exposures
• IRBA-exempt wholesale exposures

Any identified retail transacting or wholesale exposures are expected to be transferred to IRBA and are subject to approval by regulators. Prior to regulatory approval, these portfolios are under SA.

The portfolios under the SA are subject to our overall governance framework and credit risk management practices. DBS continues to monitor the size and risk profile of these portfolios and will enhance the relevant risk measurement processes if these risk exposures become material.

DBS uses external ratings for credit exposures under the SA where relevant, and we only accept ratings from Standard & Poor’s, Moody’s and Fitch in such cases. DBS follows the process prescribed in MAS Notice 637 to map the ratings to the relevant risk weights.
5.4. Credit risk in 2021

Concentration risk

DBS’ geographic distribution of customer loans remains stable. Singapore, our home market, continues to account for the largest share of our gross loans and advances to customers which contributed to 46% of our total portfolio. Growth was seen mainly in Singapore, Hong Kong and Rest of the World. Our portfolio is well diversified across industry and business segments. Building and construction, general commerce and manufacturing remain the largest contributors in the wholesale portfolio, accounting for 47% of the total portfolio.

Non-performing assets

New non-performing asset (NPA) formation was offset by recoveries and write-offs. In absolute terms, our total NPA decreased by 13% from the previous year to SGD 5.85 billion and non-performing loans (NPL) ratio dropped to 1.3% in 2021. Refer to “CFO Statement” on page 20

The LTV ratio is calculated using mortgage residential mortgage loans from the various market segments. The tables below provide breakdowns by collateral received to 46% of our total portfolio. Growth was seen mainly in Singapore, Hong Kong and Rest of the World. Our portfolio is well diversified across industry and business segments. Building and construction, general commerce and manufacturing remain the largest contributors in the wholesale portfolio, accounting for 47% of the total portfolio.

Collateral received

The tables below provide breakdowns by loan-to-value (LTV) bands for the borrowings secured by real estate and other collateral from the various market segments.

Residential mortgage loans

The LTV ratio is calculated using mortgage loans including unrawn commitments divided by the collateral value. Property valuations are determined using a combination of professional appraisals and housing price indices. For Singapore mortgages, new loans are capped at LTV limits of up to 75% for private residential mortgages, since July 2018. In tandem with the increase in private property prices by 10.6% year on year, there was an approximate 5.5% shift in the proportion of mortgage exposure from the LTV > 50% to the up-to-50% LTV band. For Hong Kong mortgages, there was an approximate 1.3% increase in the proportion of mortgage exposure in the 51% to 80% LTV band due to higher proportion of matured/closed mortgage accounts in the up to 50% LTV band. Hong Kong property price index increased by 4.2% in 2021.

Dec 2020 position excludes the loans and collateral of Lakshmi Vilas Bank (LVB) that was amalgamated with DBS Bank India Limited on 27 Nov 2020.

Loans and advances to corporates secured by real estate

These secured loans are extended for the purpose of acquisition and/or development of real estate, as well as for general working capital. More than 90% of such loans are fully collateralised and majority of these loans have an LTV < 80%. Our property loans are mainly concentrated in Singapore and Hong Kong, which together accounted for around 80% of the total property loans.

The LTV ratio is calculated as loans and advances divided by the value of collaterals that secure the same facility. Real estate forms a substantial portion of the collateral, other collaterals such as cash, marketable securities, and bank guarantees are also included.

Percentage of loans and advances to corporates secured by real estate (breakdown by LTV band and geography)

Percentage of residential mortgage loans (breakdown by LTV band and geography)

Refer to Notes 42.4 to the financial statements on page 177 for DBS’ breakdown of credit risk concentration.

Refer to Table 64.2 to the financial statements on page 177 for DBS’ breakdown of credit risk concentration.

As at 31 December 2021

<table>
<thead>
<tr>
<th>LTV band</th>
<th>Singapore</th>
<th>Hong Kong</th>
<th>Rest of Greater China</th>
<th>South and Southeast Asia</th>
<th>Rest of the World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 50%</td>
<td>39.5%</td>
<td>87.6%</td>
<td>39.7%</td>
<td>54.0%</td>
<td>39.6%</td>
</tr>
<tr>
<td>51% to 80%</td>
<td>60.2%</td>
<td>12.4%</td>
<td>58.8%</td>
<td>44.7%</td>
<td>58.1%</td>
</tr>
<tr>
<td>81% to 100%</td>
<td>0.2%</td>
<td>0.0%</td>
<td>1.5%</td>
<td>0.3%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Partially Collateralised</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>1.0%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

As at 31 December 2020

<table>
<thead>
<tr>
<th>LTV band</th>
<th>Singapore</th>
<th>Hong Kong</th>
<th>Rest of Greater China</th>
<th>South and Southeast Asia</th>
<th>Rest of the World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 50%</td>
<td>34.0%</td>
<td>88.9%</td>
<td>36.4%</td>
<td>43.7%</td>
<td>31.6%</td>
</tr>
<tr>
<td>51% to 80%</td>
<td>65.7%</td>
<td>11.1%</td>
<td>62.2%</td>
<td>52.0%</td>
<td>38.4%</td>
</tr>
<tr>
<td>81% to 100%</td>
<td>0.2%</td>
<td>0.0%</td>
<td>1.4%</td>
<td>1.8%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Partially Collateralised</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>1.0%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Dec 2020 position excludes the loans and collateral of Lakshmi Vilas Bank (LVB) that was amalgamated with DBS Bank India Limited on 27 Nov 2020.

<table>
<thead>
<tr>
<th>LTV band</th>
<th>Singapore</th>
<th>Hong Kong</th>
<th>Rest of Greater China</th>
<th>South and Southeast Asia</th>
<th>Rest of the World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 50%</td>
<td>49.0%</td>
<td>58.2%</td>
<td>66.7%</td>
<td>18.3%</td>
<td>39.6%</td>
</tr>
<tr>
<td>51% to 80%</td>
<td>42.9%</td>
<td>31.6%</td>
<td>16.7%</td>
<td>43.2%</td>
<td>58.1%</td>
</tr>
<tr>
<td>81% to 100%</td>
<td>4.2%</td>
<td>5.2%</td>
<td>3.9%</td>
<td>10.9%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Partially Collateralised</td>
<td>3.9%</td>
<td>5.0%</td>
<td>12.7%</td>
<td>27.6%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

As at 31 December 2021

<table>
<thead>
<tr>
<th>LTV band</th>
<th>Singapore</th>
<th>Hong Kong</th>
<th>Rest of Greater China</th>
<th>South and Southeast Asia</th>
<th>Rest of the World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 50%</td>
<td>47.2%</td>
<td>56.1%</td>
<td>61.0%</td>
<td>28.0%</td>
<td>28.4%</td>
</tr>
<tr>
<td>51% to 80%</td>
<td>43.0%</td>
<td>31.1%</td>
<td>21.2%</td>
<td>33.9%</td>
<td>65.3%</td>
</tr>
<tr>
<td>81% to 100%</td>
<td>5.4%</td>
<td>5.7%</td>
<td>2.0%</td>
<td>5.5%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Partially Collateralised</td>
<td>4.4%</td>
<td>7.1%</td>
<td>15.8%</td>
<td>32.6%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Dec 2020 position excludes the loans and collateral of Lakshmi Vilas Bank (LVB) that was amalgamated with DBS Bank India Limited on 27 Nov 2020.
Loans and advances to banks
In line with market convention, loans and advances to banks are typically unsecured. DBS manages the risk of such exposures by keeping tight control of the exposure tenor and monitoring of their credit quality.

Derivatives counterparty credit risk by markets and settlement methods
We continue to manage our derivatives counterparty risk exposures with netting and collateral arrangements, thereby protecting our balance sheet in the event of a counterparty default.

A breakdown of our derivatives counterparty credit risk by markets (OTC versus exchange-traded) and settlement methods (clear through a central counterparty versus settled bilaterally) can be found below.

Notional OTC and exchange-traded products

<table>
<thead>
<tr>
<th>Product Type</th>
<th>As at 31 Dec 2020</th>
<th>As at 31 Dec 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTC derivatives cleared through a central counterparty</td>
<td>1,234,846</td>
<td>1,034,521</td>
</tr>
<tr>
<td>OTC derivatives settled bilaterally</td>
<td>2,269,367</td>
<td>33,857</td>
</tr>
<tr>
<td>Total OTC derivatives</td>
<td>2,269,367</td>
<td>1,368,378</td>
</tr>
<tr>
<td>Exchange-traded derivatives</td>
<td>33,857</td>
<td>2,303,224</td>
</tr>
</tbody>
</table>

Risk methodologies
DBS utilises Value-at-Risk (VaR), a statistical risk measure, to estimate the potential loss (P&L) that arises from those positions on a given day. VaR is calculated with a one-day holding period and an expected tail-loss methodology which approximates a 97.5% confidence interval. ES is supplemented with other risk control metrics such as sensitivities to risk factors and loss triggers for management action.

Processes, systems and reports
DBS conducts backtesting to verify the predictiveness of the VaR model. Backtesting compares VaR calculated for positions at the close of each business day with the profit and loss (P&L) that arises from those positions on the following business day. The backtesting covers daily, weekly and monthly time horizons. We use a variety of financial derivatives such as swaps, forwards and futures, and options for trading and hedging against market movements.

Trading portfolios: Institutional Banking and Consumer Banking/Wealth Management assets and liabilities, (b) debt securities and equities comprising investments held for yield and/or long-term capital gains, (c) strategic stakes in entities and (d) structural foreign exchange risk arising mainly from our strategic investments, which are denominated in currencies other than the Singapore Dollar.

From in-tray trading, non-daily valuation adjustments and time effects.

For backtesting, VaR at the 99% confidence interval and over a one-day holding period is used. We adopt the standardised approach to compute market risk regulatory capital under MAS Notice 63/7 for the trading book positions. As such, VaR backtesting does not impact our regulatory capital for market risk.

There are limitations to VaR models; for example, past changes in market risk factors may not provide accurate predictions of future market movements; and the risk arising from adverse market events may not be considered. To monitor DBS’ vulnerability to unexpected but plausible extreme market risk-related events, we conduct multiple market risk stress tests regularly. These cover trading and non-trading portfolios and follow a combination of historical and hypothetical scenarios depicting risk-factor movement.

Economic Value of Equity (EVE) and Net Interest Income (NII) variability are key risk metrics used to manage our assets and liabilities. EVE and NII variability measure how the economic value and earnings of the bank change under various stress scenarios. Credit risk arising from loans and receivables is managed under the credit risk management framework.

Interest rate risk in the banking book (IRRBB) arises from mismatches in the interest rate profiles of assets, liabilities and capital instruments. Estimating IRRBB requires the use of behavioural models and assumptions on certain parameters such as loan prepayment, fixed deposits early redemption and the duration of non-maturity deposits. DBS measures IRRBB on a monthly basis.

Processes, systems and reports
Robust internal control processes and systems have been designed and implemented to support our risk management approach. DBS reviews these control processes and systems regularly, and these reviews allow senior management to assess their effectiveness.

The RIMS Market and Liquidity Risk unit – an independent market risk management function reporting to the IRD – monitors, controls and analyses DBS’ market risk daily. The unit comprises risk control, risk analytics, production and reporting teams.

5 Market risk

Our exposure to market risk is categorised into:

Trading portfolios: Aiming from positions taken for (i) market making, (ii) client facilitation and (iii) benefiting from market opportunities.

Non-trading portfolios: Aiming from (i) our institutional Banking and Consumer Banking/Wealth Management assets and liabilities, (ii) debt securities and equities comprising investments held for yield and/or long-term capital gains, (iii) strategic stakes in entities and (iv) structural foreign exchange risk arising from intra-day trading, non-daily valuation adjustments and time effects.

6.1 Market risk management at DBS

DBS’ approach to market risk management comprises the following building blocks:

Policies
The Group Market Risk Management Policy sets our overall approach towards market risk management. This policy is supplemented with standards and guides, which facilitate the delineation, measurement, control, monitoring and reporting of market risk in a consistent manner. They also set out the overall approach, requirements and controls governing market risk stress testing across DBS.

Risk methodologies
The criteria for determining the positions to be included in the trading book are stipulated in the Trading Book Policy Statement.

6.2 Market risk in 2021

The main risk factors driving DBS’ trading portfolios in 2021 were interest rates, foreign exchange, equities and credit spreads. The following table shows the period-end, average, high and low diversified ES and ES by risk class for our trading portfolios.

<table>
<thead>
<tr>
<th>Risk Class</th>
<th>As at 31 Dec 2021</th>
<th>Average</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rates</td>
<td>6</td>
<td>9</td>
<td>18</td>
<td>5</td>
</tr>
<tr>
<td>Foreign exchange</td>
<td>1</td>
<td>4</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Credit spread</td>
<td>5</td>
<td>7</td>
<td>21</td>
<td>3</td>
</tr>
<tr>
<td>Commodity</td>
<td>12</td>
<td>1</td>
<td>14</td>
<td></td>
</tr>
</tbody>
</table>

# Amount under SGD 100,000
(a) This excludes the positions from Lakshmi Vilas Bank (LVB) that was amalgamated with DBS Bank India Limited on 27 Nov 2020. Impact from LVB’s positions in DBS’ trading book was assessed to be insignificant.
DBS’ trading portfolios experienced eight backtesting exceptions in 2021 and they occurred in February, June, July, October and November. The backtesting exceptions were mainly due to large movements in interest rates, credit spreads and equity volatilities.

In 2021, the key market risk drivers of our non-trading portfolios were interest rates (Singapore Dollar and US Dollar) and foreign exchange. The Net Interest Income (NII) of the non-trading book is assessed under various rate scenarios to determine the impact of interest rate movements on future earnings. Simulating using a 100 basis points parallel upward or downward shift in yield curves on DBS’ banking book exposures, NII is estimated to increase by SGD 1,802 million and decrease by SGD 778 million respectively. Foreign exchange risk in our non-trading portfolios was primarily from structural foreign exchange positions(a), arising mainly from our strategic investments and retained earnings in overseas branches and subsidiaries.

Refer to Note 38.3 to the financial statements on page 166 for details on DBS’ structural foreign exchange positions.

7 Liquidity risk

DBS’ liquidity risk arises from our obligations to honour withdrawals of deposits, repayments of borrowed funds at maturity and our commitments to extend loans to our customers. We seek to manage our liquidity to ensure that our liquidity obligations will continue to be honoured under normal as well as adverse circumstances.

7.1 Liquidity risk management at DBS

Liquidity management and funding strategy

DBS strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. Our funding strategy is anchored on the strength of our core deposit franchise and is augmented by our established long-term funding capabilities.

Growth in the regional franchise generates price, volume, currency and tenor mismatches between our assets and liabilities. To this end, where practicable and transferable without loss in value, we make appropriate use of swap markets for relevant currencies, commensurate with the liquidity of each, in the conversion and deployment of surplus funds across locations. As these swaps typically mature earlier than loans, we are exposed to potential cash flow mismatches arising from the risk that counterparties may not roll over maturing swaps to support our ongoing funding needs.

Risk management

The Group Asset and Liability Committee and respective Location Asset and Liability Committees regularly review the composition and growth trajectories of the relevant balance sheets and refine our funding strategy according to business momentum, competitive factors and prevailing market conditions.

Including Lakshmi Vilas Bank (LVB), Current Account Savings Account (CASA) as a proportion of customer deposits increased to 76% as at December 2021 versus 73% as at December 2020.

DBS aims to maintain continuous access to the investor base for capital and senior wholesale funding to support our commercial banking activities. We seek cost efficiencies over the long term and to broaden our investor base through proactive and frequent engagement. Capital instruments are primarily issued from DBS Group Holdings Ltd (DBSH) while covered bonds originate from DBS Bank Ltd. Senior notes are issued from both DBSH and the Bank as required.

The diagrams below show our asset funding structure as at 31 December 2021.
Approach to liquidity risk management

DBS approach to liquidity risk management comprises the following building blocks:

1. Policies
2. Risk methodologies
3. Processes, systems and reports

**Policies**

The Group Liquidity Risk Management Policy sets our overall approach towards liquidity risk management and describes the range of strategies we employ to manage our liquidity.

These strategies include maintaining an adequate counterbalancing capacity to address potential cash flow shortfalls and having diversified sources of liquidity. DBS' counterbalancing capacity includes liquid assets, the capacity to borrow from the money markets (including the issuance of commercial papers and covered bonds), and forms of managerial interventions that improve liquidity.

In the event of a potential or actual crisis, we have in place a set of liquidity contingency and recovery plans to ensure that we maintain adequate liquidity.

The Group Liquidity Risk Management Policy is supported by standards that establish the detailed requirements for liquidity risk identification, measurement, reporting and control within DBS. The set of policies, standards and supporting guides communicate these baseline requirements to ensure a consistent application throughout DBS.

**Risk methodologies**

The primary measure used to manage liquidity within the tolerance defined by the Board is cash flow maturity mismatch analysis. This form of analysis is performed on a regular basis under normal and adverse scenarios, it assesses the adequacy of our counterbalancing capacity to fund or mitigate any cash flow shortfalls that may occur as forecasted in the cash flow movements across successive time bands. To ensure that liquidity is managed in line with our Risk Appetite, core parameters such as the types of scenarios, the survival period and the minimum level of liquid assets, are pre-specified for monitoring and control on a group-wide basis. Any occurrences of forecasted shortfalls that cannot be covered by our counterbalancing capacity will be escalated to the relevant committees for evaluation and action.

**Liquidity risk stress testing**

Liquidity risk stress testing is performed regularly using cash flow maturity mismatch analysis, and covers adverse scenarios including general market and idiosyncratic stress scenarios. Stress tests assess our vulnerability when liability run-offs increase, asset rollovers increase and/or liquid asset buffers decrease. In addition, ad hoc stress tests are performed as part of our recovery planning and ICAAP exercises.

Liquidity risk control measures such as liquidity-related ratios and balance sheet analysis are complementary tools for cash flow maturity mismatch analysis, and they are performed regularly to obtain deeper insights and finer control over our liquidity profile across different locations.

The liquidity risk control measures also include concentration measures regarding top depositors, wholesale borrowing and swapped funds ratios.

**Processes, systems and reports**

Robust internal control processes and systems support our overall approach in identifying, measuring, aggregating, controlling and monitoring liquidity risk across DBS. Continuous improvement in data and reporting platforms has allowed most elements of internal liquidity risk reporting to be centralised.

The RMS Market and Liquidity Risk unit manages the day-to-day liquidity risk monitoring, control reporting and analysis.

**Liquidity risk in 2021**

DBS actively monitors and manages our liquidity profile through cash flow maturity mismatch analysis.

In forecasting cash flow under the analysis, behavioural profiling is necessary in cases where a product has indeterminate maturity or the contractual maturity does not realistically reflect the expected cash flow.

Two examples are maturity indeterminate savings and current account deposits, which are generally viewed as sources of stable funding for commercial banks. In fact, they consistently exhibit stability even under historic periods of stress. A conservative view is adopted in the behavioural profiling of assets, liabilities and off-balance sheet commitments that have exhibited cash flow patterns that differ significantly from the contractual maturity pattern shown under Note 43.1 of our financial statements on page 179.

The table below shows our behavioural net cumulative maturity mismatch between assets and liabilities over a one-year period. A normal scenario without incorporating growth projections. DBS liquidity was observed to remain adequate in the maturity mismatch analysis. In 2021, the liquidity profile improved as excess liquidity from deposit growth is retained in short term funds.

<table>
<thead>
<tr>
<th>SGD million</th>
<th>Encumbered</th>
<th>Unencumbered</th>
<th>Total</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31 Dec 2021</td>
<td>12,250</td>
<td>31,558</td>
<td>20,808</td>
<td>19,145</td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td>-</td>
<td>-</td>
<td>12,314</td>
<td>12,314</td>
</tr>
<tr>
<td>Due from banks</td>
<td>6,419</td>
<td>46,369</td>
<td>52,782</td>
<td>52,014</td>
</tr>
<tr>
<td>Government securities and treasury bills</td>
<td>1,449</td>
<td>54,720</td>
<td>56,169</td>
<td>54,696</td>
</tr>
<tr>
<td>Banks and corporate securities</td>
<td>18,118</td>
<td>119,953</td>
<td>138,071</td>
<td>138,169</td>
</tr>
</tbody>
</table>

DBS' LCR is sensitive to balance sheet movements resulting from commercial loan/ deposit activities, wholesale inter-bank lending/borrowing, and the maturity tenor changes of these positions as they fall into or out of the LCR 30-day tenor. In order to meet the LCR requirements, DBS holds a pool of unencumbered High Quality Liquid Assets (HQLA) comprising predominantly cash, balances with central banks and highly rated bonds issued by governments or supranational entities.

**Liquidity Coverage Ratio (LCR)**

Under MAS Notice to Banks No. 649 ‘Minimum Liquid Assets (MLA) and Liquidity Coverage Ratio (LCR)’ (MAS Notice 649), DBS, as a Domestic Systemically Important Bank (D-SIB) incorporated and headquartered in Singapore, is required to comply with the LCR standards. Group LCR has been maintained well above the minimum LCR requirements of 100% for both all-currency and SGD.

DBS’ LCR is sensitive to balance sheet movements resulting from commercial loan/ deposit activities, wholesale inter-bank lending/borrowing, and the maturity tenor changes of these positions as they fall into or out of the LCR 30-day tenor. In order to meet the LCR requirements, DBS holds a pool of unencumbered High Quality Liquid Assets (HQLA) comprising predominantly cash, balances with central banks and highly rated bonds issued by governments or supranational entities.

**Net Stable Funding Ratio (NSFR)**

DBS is subject to the Net Stable Funding Ratio (NSFR) under MAS Notice to Banks No. 652 ‘Net Stable Funding Ratio (NSFR) (MAS Notice 652). Group NSFR has been maintained consistently above the minimum regulatory requirement of 100%.

NSFR aims to improve the resiliency of banks by promoting long term funding stability. We manage our NSFR by maintaining a stable balance sheet supported by a diversified funding base with access to funding sources across retail and wholesale channels.

---

(a) Unencumbered balances with central banks comprise holdings that are unrestricted and available overnight. The encumbered portion represents the mandatory balances held with central banks, which includes a minimum cash balance (MCB) amount that may be available for use under a liquidity stress situation. The "Others" portion includes term placements with central banks.

(b) Liquid assets comprise nostro accounts and eligible certificates of deposits

(c) Total liquid assets reflected as an average basis over the four quarters in 2021

(d) "Others” refer to assets that are not recognized as part of the available pool of liquid assets for liquidity management under stress due to (but not limited to) inadequate or non-rated credit quality, operational challenges in monetization (e.g. holdings in physical scrips), and other considerations

(e) In addition to the above table, collateral received in reverse repo transactions amounting to SGD 21,343 million were recognised for liquidity management under stress.

---

7.3 Liquid assets

Liquid assets are assets that are available and can be easily monetised to meet obligations and expenses under times of stress.

Such assets are internally defined under the governance of the relevant oversight committees, taking into account the asset class, issuer type and credit rating, among other criteria, before they are reflected as available funds through cash flow maturity mismatch analysis. DBS’ Treasury function expects to be able to operationalise meet our pool of liquid assets to meet liquidity shortfalls when the need arises. These liquid assets must be unencumbered and free of any legal, regulatory, contractual or other restrictions.

In practice, liquid assets are maintained in key locations and currencies to ensure that operating entities in such locations possess a degree of self-sufficiency to support business needs and guard against contingencies. The main portion of our liquid assets is centrally maintained in Singapore to support liquidity needs in smaller overseas subsidiaries and branches. Internally, DBS sets a requirement to maintain its pool of liquid assets above a minimum level as a source of contingent funds, taking into account regulatory recommended liquid asset levels as well as internally projected stress shortfalls under the cash flow maturity mismatch analysis.

The table below shows DBS' encumbered and unencumbered liquid assets by instrument and counterparty against other assets in the same category under the balance sheet. The figures are based on the carrying amount at the balance sheet date.
8 Operational risk

Operational risk is inherent in our business activities and may arise from inadequate or failed internal processes, people, systems, or from external events. DBS’ objective is to keep operational risk at appropriate levels, taking into account the markets we operate in, the characteristics of the businesses as well as our economic and regulatory environment.

8.1 Operational risk management at DBS

DBS’ approach to operational risk management comprises the following building blocks:

- **Policies**
- **Risk methodologies**
- **Processes, systems and reports**

**Policies**

The Group Operational Risk Management (ORM) Policy sets our overall approach for managing operational risk in a structured, systematic and consistent manner. There are policies, standards, tools and programmes in place to govern ORM practices across DBS. These include corporate operational risk policies and standards that are owned by the respective corporate oversight and control functions. The key policies address risk areas relating to technology, compliance, fraud, money laundering, financing of terrorism and sanctions, new product, outsourcing and ecosystem partnership.

**Risk methodologies**

DBS adopts the standardised approach to compute operational risk regulatory capital. To manage and control operational risk, we use various tools, including risk and control self-assessment, operational risk event management and key risk indicator monitoring. DBS’ three lines of defence adopt one common risk taxonomy, and a consistent risk assessment approach to managing operational risk. Risk and control self-assessment is conducted by each business or support unit to identify key operational risk and assess the effectiveness of internal controls. When control issues are identified, the units develop action plans and track the resolution of the issues. Operational risk events are classified in accordance with Basel standards. Such events, including any significant incidents that may impact DBS reputation, must be reported based on certain established thresholds. Key risk indicators with pre-defined escalation triggers are employed to facilitate risk monitoring in a forward-looking manner. Additional methodologies are in place to address subject-specific risks, including, but not limited to, the following:

- **Technology risk**
- **Cyber security risk**
- **Compliance risk**
- **Risk and control self-assessment**

Operational risk events are classified in accordance with Basel standards. Such events, including any significant incidents that may impact DBS reputation, must be reported based on certain established thresholds. Key risk indicators with pre-defined escalation triggers are employed to facilitate risk monitoring in a forward-looking manner. Additional methodologies are in place to address subject-specific risks, including, but not limited to, the following:

- **Technology risk**
- **Cyber security risk**
- **Compliance risk**
- **Risk and control self-assessment**

**Processes, systems and reports**

Processes, systems and reports

**Basel risk event types**

<table>
<thead>
<tr>
<th>Event Type</th>
<th>2021 SGD million</th>
<th>%</th>
<th>2020 SGD million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Execution, delivery and process management (EDPM)</td>
<td>9.58</td>
<td>86%</td>
<td>3.65</td>
</tr>
<tr>
<td>External fraud</td>
<td>0.71</td>
<td>7%</td>
<td>1.2</td>
</tr>
<tr>
<td>Business disruptions and system failures</td>
<td>0.16</td>
<td>1%</td>
<td>0.48</td>
</tr>
<tr>
<td>Clients, products and business practices</td>
<td>0.49</td>
<td>5%</td>
<td>0.58</td>
</tr>
<tr>
<td>Damage to physical assets</td>
<td>0.02</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>Internal fraud</td>
<td>0.16</td>
<td>1%</td>
<td>0.04</td>
</tr>
<tr>
<td>Employment practices and workplace safety</td>
<td>0</td>
<td>0%</td>
<td>0</td>
</tr>
</tbody>
</table>

**Total** | 11.1 | 100% | 6.04 | 100% |

Notes:

(a) Reportable operational risk events are those with net loss greater than SGD 10,000 and are reported based on the date of detection
(b) This excludes the operational losses of Lekshmi Vishak Bank (LVB) that was amalgamated with DBS Bank India Limited on 27 Nov 2020

EDPMM, which comprised mainly processing errors, accounted for the highest share of our total losses in 2021 and the increase was largely attributable to one risk incident.

**Processes, systems and reports**

Robust internal control processes and systems are integral to identifying, assessing, monitoring, managing and reporting operational risk. All units are responsible for the day-to-day management of operational risk in their products, processes, systems and activities, in accordance with the various frameworks and policies. The IRM Operational Risk Unit and other corporate oversight and control functions:

- Oversee and monitor the effectiveness of operational risk management
- Assess key operational risk issues with the units
- Report and escalate key operational risks to risk committees with recommendations on appropriate risk mitigation strategies.

DBS has in place an integrated governance, risk and compliance system with aligned risk assessment methodology, common taxonomy, and unified processes for the three lines of defence. We have in place an operational risk landscape profile which provides the Board and senior management with an integrated view of DBS’ operational risk profile periodically, across key operational risk areas and business lines.

8.2 Operational risk in 2021

The total operational risk losses in 2021 increased to SGD 11 million (0.08% of DBS’ total operating income), from SGD 6 million (0.04%) in 2020. The losses may be categorised into the following seven Basel risk event categories:

- **Execution, delivery and process management (EDPM)**
- **External fraud**
- **Business disruptions and system failures**
- **Clients, products and business practices**
- **Damage to physical assets**
- **Internal fraud**
- **Employment practices and workplace safety**

**Total** | 11.1 | 100% | 6.04 | 100%
9 Reputational risk

DBS views reputational risk as an outcome of any failure to manage risks in our day-to-day activities, decisions, and from changes in the operating environment. These risks include:

- Financial risk (credit, market and liquidity risks)
- Inherent risk (operational and business/ strategic risks)

9.1 Reputational risk management at DBS

DBS’ approach to reputational risk management comprises the following building blocks:

- Policies
- Risk methodologies
- Processes, systems and reports

9.2 Reputational risk in 2021

DBS’ priority is to prevent the occurrence of a reputational risk event, instead of taking mitigating action when it occurs. In relation to the two-day digital disruption in November 2021 which impacted the Bank’s reputation, concerted efforts were made to recover the banking services as soon as possible and to keep customers updated on the recovery progress via various communication channels. Following the incident, management has initiated remedial measures to improve the resilience of our services and incident response, with due consideration given to regulatory requirements and expectations.

Interest in and awareness of corporate identity and reputation.

Our capital management objective is implemented via a capital management and planning process that is overseen by the Capital Committee. The Chief Financial Officer chairs the Capital Committee. The Capital Committee receives regular updates on our current and projected capital position. A key tool for capital planning is the annual Internal Capital Adequacy Assessment Process (ICAAP) through which we assess our projected capital supply and demand relative to regulatory requirements and our capital targets. The ICAAP generally has a three-year horizon and covers various scenarios, including stress scenarios of differing scope and severity.

Capital capacity is allocated on two dimensions: by business line and by entity. Capital allocations by business line are set as part of the budget process and monitored throughout the year. Return on regulatory capital is one of several metrics used to measure business performance. Capital allocations by entity seek to optimise the distribution of capital resources across entities, taking into account the capital adequacy requirements imposed on each subsidiary in its respective jurisdiction. Capital is allocated to ensure that each subsidiary is able to comply with regulatory requirements as it executes its business strategy in line with our strategy.

During the course of the year, these subsidiaries did not experience any impediments to the distribution of dividends.

Common Equity Tier 1 capital

- DBS Group Holdings Ltd. on 24 May 2021, issued 5,967,122 ordinary shares pursuant to the Scrip Dividend Scheme in respect of the 2020 final dividend. This added SGD 171 million to ordinary share capital.
- DBS Group Holdings Ltd. on 25 June 2021, issued 5,786,801 ordinary shares pursuant to the Scrip Dividend Scheme in respect of the interim dividend for the first quarter of the year ended 31 December 2021. This added SGD 171 million to ordinary share capital.
- The Scrip Dividend Scheme was not applied to the interim dividend for the second and third quarters of the year ended 31 December 2021.
- As at 31 December 2021, the number of treasury shares held by the Group was 20,872,531 (2020: 25,874,461), which was 0.81% (2020: 1.01%) of the total number of issued shares net of treasury shares. In response to the MAS’ direction on 28 July 2021 to exercise continued prudence in discretionary distributions, the Group has not resorted share buybacks since its suspension at the end of March 2020.

Refer to Note 32 to the financial statements for details on the movement of share capital during the year.

Additional Tier 1 capital

- DBS Group Holdings Ltd. on 7 September 2021, redeemed USD 750 million 3.60% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2021.

Tier 2 capital

- DBS Group Holdings Ltd. on 3 March 2021, issued RM1 1,600 million 3.70% Subordinated Notes due 2031 and Callable in 2026.
- DBS Group Holdings Ltd. on 10 March 2021, issued USD 500 million 1.822% Subordinated Notes due 2025 and Callable in 2026.
- DBS Group Holdings Ltd. on 19 April 2021, redeemed HKD 1,500 million 3.24% Subordinated Notes.

Refer to Notes 31, 32 and 23 to the financial statements as well as the Main Features of Capital Instruments document (https://www.dbs.com/investors/fixed-income/capital-instruments) for the names of the capital instruments that are included in Eligible Tier Capital.
The table below analyses the movement in Common Equity Tier 1, Additional Tier 1 and Tier 2 capital during the year.

### Statement of changes in regulatory capital for the year ended 31 December 2021

<table>
<thead>
<tr>
<th>SGD million</th>
<th>Common Equity Tier 1 capital</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening amount</td>
<td>44,786</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issue of shares pursuant to Scrip Dividend Scheme</td>
<td>342</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the year (attributable to shareholders)</td>
<td>6,805</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid to shareholders (1)</td>
<td>(2,734)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of share-based payments</td>
<td>134</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>118</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other CET1 movements, including other comprehensive income</td>
<td>(69)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing amount</td>
<td>49,248</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SGD million</th>
<th>Common Equity Tier 1 capital</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening amount</td>
<td>49,248</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Tier 1 capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening amount</td>
<td>3,402</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redemption of Additional Tier 1 capital instruments and others</td>
<td>(1,010)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing amount</td>
<td>2,392</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 2 capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening amount</td>
<td>5,749</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movements in Tier 2 capital instruments</td>
<td>666</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movement in allowances eligible as Tier 2 capital</td>
<td>152</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing amount</td>
<td>6,567</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total capital</td>
<td>58,207</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** (1) Includes distributions paid on capital securities classified as equity

### Capital adequacy ratios

As at 31 December 2021, our Common Equity Tier 1 (CET1) capital adequacy ratio (CAR) was 14.4% which was above our target ratio of around 13.0% ± 0.5%. Our CET1, Tier 1 and Total CAR comfortably exceeded the CAR requirements under MAS Notice 637 of 9.0%, 10.5% and 12.5% respectively (this includes the capital conservation buffer but excludes the countercyclical capital buffer).

As at 31 December 2021, our consolidated leverage ratio stood at 6.7%, well above the 3.0% minimum ratio set by the MAS effective 1 January 2018. Refer to “Five-Year Summary” on page 190 for the historical trend of Tier 1 and Total CAR. Refer to the Group’s Pillar 3 disclosures published on DBS website (https://www.dbs.com/investors/default.page) for details on our RWA.

<table>
<thead>
<tr>
<th>SGD million</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Equity Tier 1 capital</td>
<td>49,248</td>
<td>44,786</td>
</tr>
<tr>
<td>Tier 1 capital</td>
<td>51,640</td>
<td>48,188</td>
</tr>
<tr>
<td>Total capital</td>
<td>58,207</td>
<td>53,937</td>
</tr>
</tbody>
</table>

### Risk-weighted assets (RWA)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit RWA</td>
<td>294,665</td>
<td>269,249</td>
</tr>
<tr>
<td>Market RWA</td>
<td>23,448</td>
<td>27,932</td>
</tr>
<tr>
<td>Operational RWA</td>
<td>24,578</td>
<td>23,915</td>
</tr>
<tr>
<td>Total RWA</td>
<td>342,691</td>
<td>321,096</td>
</tr>
</tbody>
</table>

### Capital Adequacy Ratio (CAR) (%)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Equity Tier 1</td>
<td>14.4</td>
<td>13.9</td>
</tr>
<tr>
<td>Tier 1</td>
<td>15.1</td>
<td>15.0</td>
</tr>
<tr>
<td>Total</td>
<td>17.0</td>
<td>16.8</td>
</tr>
</tbody>
</table>

### Minimum CAR including Buffer Requirements (%)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Equity Tier 1</td>
<td>9.1</td>
<td>9.1</td>
</tr>
<tr>
<td>Effective Tier 1</td>
<td>10.6</td>
<td>10.6</td>
</tr>
<tr>
<td>Effective Total</td>
<td>12.6</td>
<td>12.6</td>
</tr>
</tbody>
</table>

### Of which: Buffer Requirements (%)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Conservation Buffer</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Countercyclical Buffer</td>
<td>0.1</td>
<td>0.1</td>
</tr>
</tbody>
</table>

**Note:** (1) Includes minimum Common Equity Tier 1, Tier 1 and Total CAR of 6.5%, 8.0% and 10.0% respectively
The chart below analyses the drivers of the movement in Common Equity Tier 1 (CET1) CAR during the year.

**Group Common Equity Tier 1 (CET1) CAR**

<table>
<thead>
<tr>
<th>Dec 2020 CET1</th>
<th>Profit for the year (attributable to shareholders)</th>
<th>Dividends paid to shareholders</th>
<th>Issue of shares pursuant to Scrip Dividend Scheme</th>
<th>Other CET1 movements</th>
<th>Credit RWA</th>
<th>Market RWA</th>
<th>Operational Risk</th>
<th>Dec 2021 CET1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13.9%</td>
<td>2.1%</td>
<td>-0.9%</td>
<td>0.02%</td>
</tr>
</tbody>
</table>

Note: (1) Includes distributions paid on capital securities classified as equity

Regulatory change

The minimum CAR requirements based on MAS Notice 637 have been fully phased in from 1 January 2019 and are summarised in the table below.

<table>
<thead>
<tr>
<th>From 1 January</th>
<th>2019 and beyond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum CAR %</td>
<td></td>
</tr>
<tr>
<td>Common Equity Tier 1 (a)</td>
<td>6.5</td>
</tr>
<tr>
<td>Capital Conservation Buffer (CCB) (b)</td>
<td>2.5</td>
</tr>
<tr>
<td>Common Equity Tier 1 including CCB (a) + (b)</td>
<td>9.0</td>
</tr>
<tr>
<td>Tier 1 including CCB</td>
<td>10.5</td>
</tr>
<tr>
<td>Total including CCB</td>
<td>12.5</td>
</tr>
</tbody>
</table>

Maximum Countercyclical Buffer (1)

Note: (1) The countercyclical buffer is not an ongoing requirement and is only applied as and when specified by the relevant banking supervisors. The applicable magnitude will be a weighted average of the jurisdiction-specific countercyclical buffer requirements that are required by national authorities in jurisdictions to which a bank has private sector credit exposures. The Basel Committee expects jurisdictions to implement the countercyclical buffer during periods of excessive credit growth. At the jurisdictions where we have material private sector credit exposures, Hong Kong has applied a countercyclical buffer of 2.5% from 1 January 2019, reducing to 2.0% from 14 October 2019 and 1.0% from 16 March 2020 and remained unchanged thereafter.

The MAS has designated DBS Bank as a domestic systemically important bank (D-SIB). Under the MAS’ framework for identifying and supervising D-SIBs, the higher loss absorbency requirement for locally incorporated D-SIBs is met by the foregoing minimum ratios being two percentage points higher than those established by the Basel Committee. The Basel Committee has developed an indicator-based methodology for identifying globally systemically important banks (G-SIBs) on which higher loss absorbency requirements will be imposed. While we are not a G-SIB, we are required to disclose the set of indicators which are included in the Group’s Pillar 3 disclosures published on DBS website (https://www.dbs.com/investors/default).

D-SIBs, the higher loss absorbency requirement for locally incorporated D-SIBs is met by the foregoing minimum ratios being two percentage points higher than those established by the Basel Committee. The Basel Committee has developed an indicator-based methodology for identifying globally systemically important banks (G-SIBs) on which higher loss absorbency requirements will be imposed. While we are not a G-SIB, we are required to disclose the set of indicators which are included in the Group’s Pillar 3 disclosures published on DBS website (https://www.dbs.com/investors/default).

On 7 May 2019, the MAS first released a consultation paper on “Proposed Implementation of the Final Basel III Reforms in Singapore”, seeking feedback on proposed revisions to the capital requirements and leverage ratio requirements for Singapore-incorporated banks to align with the Basel III reforms. On 7 April 2020, the MAS announced that the implementation date of the Basel III reforms had been deferred by one year to 1 January 2023 to enable banks to prioritise their resources in response to COVID-19. On 25 March 2021, the MAS released a consultation paper on “Draft Standards for Credit Risk Capital and Capital Reporting Requirements for Singapore-incorporated Banks”, seeking feedback on the draft standards. The MAS intends to implement the revised standards for market risk capital for supervisory reporting purposes from 1 January 2023, and for the purposes of compliance with capital adequacy and disclosure requirements from 1 January 2024 or later.

With effect from 1 July 2021, MAS Notice 637 was amended to specify that the transitional arrangements for the adoption of the standardised approach for counterparty credit risk (SA-CCR) and the revised capital requirements for bank exposures to central counterparties will cease on 31 December 2021. It also reflects amendments setting out an alternative treatment for the measurement of derivatives exposures for leverage ratio calculation, using a modified version of SA-CCR as well as other amendments to implement technical revisions to the credit risk framework.

Further amendments to MAS Notice 637 were made with effect from 1 August 2021 to implement the framework for the treatment of major stake investments in financial institutions at the Sole level.

With effect from 31 December 2021, MAS Notice 637 was amended to incorporate edits in relation to the insertion of a new charge to be held by the Housing and Development Board under the Prime Location Public Housing model. Further amendments effective from 1 January 2022 were also made to MAS Notice 637 to: (a) incorporate clarifications to the SA-CCR framework and the revised capital requirements for bank exposures to central counterparties; (b) implement revisions to the internal ratings-based approach application process; and (c) implement technical revisions to the disclosure framework.
Our 2021 Sustainability Report is prepared in accordance with, and taking reference from the Global Reporting Initiative, the Sustainability Accounting Standards Board, and recommendations of the Task Force on Climate-related Financial Disclosures.

Governance

The Board has overall responsibility for sustainability and integrates environmental, social and governance (ESG) matters in the formulation of DBS’ strategy. The Board provides oversight on DBS’ sustainability agenda and directs its efforts in managing material ESG matters, guided by the objective of creating long-term value by managing our business in a balanced and responsible way. Given heightened expectations among external stakeholders on DBS’ sustainability agenda and commitments, a new Board Sustainability Committee was established to better focus on sustainability matters.

Key sustainability awards

- SEAL Business Sustainability Awards 2021 (Global)
- Outstanding Leadership in Sustainability Transparency (Regional)
- Best ESG Transaction Bank (Asia Pacific)
- President’s Award for the Environment (Singapore)
- Best Sustainable Bank (Singapore)

External ESG Ratings

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>2021</th>
<th>2020</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI</td>
<td>AA</td>
<td>AA</td>
<td>AA to CCC</td>
</tr>
<tr>
<td>Sustainalytics</td>
<td>19.9 (low risk)</td>
<td>20.7 (Medium risk)</td>
<td>25.1 (Medium risk)</td>
</tr>
<tr>
<td>CDP (formerly Climate Disclosure Project)</td>
<td>B</td>
<td>B</td>
<td>A+ to F, with A+ being the best possible score</td>
</tr>
</tbody>
</table>

MSCI 2021 ESG rating

AA

2020: AA
19: AA
Scale: AA to CCC

Sustainalytics 2021 Score

19.9 (low risk)

2020: 20.7 (Medium risk)
19: 25.1 (Medium risk)
Scale: 0 to 100, with 100 being the highest risk

CDP (formerly Climate Disclosure Project) 2021 Grade

B

2020: B
19: B
Scale: A+ to F, with A+ being the best possible score

Sustainability Highlights

Delivering on our climate commitment

Board Sustainability Committee

Established to enhance our governance process in relation to climate impact and broader ESG matters centred on our three sustainability pillars

01 Responsible banking

Our responsible banking practices support our customers’ transition towards lower-carbon business models, enhance their access to ESG investments, and deliver customised retail solutions to meet their specific needs.

02 Responsible business practices

We believe in doing the right thing by our people and embedding environmental and societal factors in our business operations.

03 Impact beyond banking

We seek to be a force for good by championing social enterprises – businesses with a double bottom line – and supporting community causes such as those that are driving positive environmental and social impact.

Net-zero energy building

Committed to sustainable financing deals, more than double the amount from the previous year

2022 target year to achieve net-zero carbon emissions from our own operations

2021 Grade

B

2020: B
19: B
Scale: A+ to F, with A+ being the best possible score

Launched Opportunity Marketplace which uses artificial intelligence and machine learning to help employees better identify their career aspirations and skills needed

Net-zero energy building

The first in Singapore by a bank to be retrofitted for net-zero energy consumption

Launched Opportunity Marketplace which uses artificial intelligence and machine learning to help employees better identify their career aspirations and skills needed

SGD 20.5 billion

Amount of ESG bonds raised where DBS is involved as an active bookrunner

SGD 100 million

Additional funding by DBS to further improve lives in Asia

SGD 13.4 million

Loans disbursed at preferential rates to social enterprises

SGD 100 million

Employee volunteering hours serving the community
SUMMARY OF DISCLOSURES
CORPORATE GOVERNANCE

This summary of disclosures describes our corporate governance practices with specific reference to the express disclosure requirements in the principles and provisions of the 2018 Code* pursuant to Rule 710 of the SGX Listing Manual and the Additional Guidelines*.

* defined on page 44

Express disclosure requirements in the 2018 Code and the Additional Guidelines

<table>
<thead>
<tr>
<th>Principles and provisions of the 2018 Code - Express disclosure requirements</th>
<th>Page reference in DBS Annual Report 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision 1.2 The induction, training and development provided to new and existing Directors.</td>
<td>Pages 50 and 51</td>
</tr>
<tr>
<td>Provision 1.3 Matters that require Board approval.</td>
<td>Page 56</td>
</tr>
<tr>
<td>Provision 1.4 Names of the members of the Board committees, the terms of reference of the Board committees, any delegation of the Board's authority to make decisions, and a summary of each Board committee's activities.</td>
<td>Pages 49 to 56</td>
</tr>
<tr>
<td>Provision 1.5 The number of meetings of the Board and Board committees held in the year, as well as the attendance of every Board member at these meetings.</td>
<td>Pages 46 to 47</td>
</tr>
<tr>
<td>Provision 2.4 The board diversity policy and progress made towards implementing the board diversity policy, including objectives.</td>
<td>Page 51</td>
</tr>
<tr>
<td>Provision 4.3 Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates.</td>
<td>Page 50</td>
</tr>
<tr>
<td>Provision 4.4 Where the Board considers a Director to be independent in spite of the existence of a relationship which may affect his or her independence, the nature of the Director's relationship and the reasons for considering him or her as independent should be disclosed.</td>
<td>Page 50</td>
</tr>
<tr>
<td>Provision 4.5 The listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, the NCS and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties are disclosed.</td>
<td>Pages 50 to 51, and 191 to 195</td>
</tr>
<tr>
<td>Provision 5.2 How the assessments of the Board, its Board committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of its Directors.</td>
<td>Page 50</td>
</tr>
</tbody>
</table>

Principles and provisions of the 2018 Code - Express disclosure requirements

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision 6.4 The engagement of any remuneration consultants and their independence.</td>
<td>Page 63</td>
</tr>
<tr>
<td>Principle 8 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration, and the relationship between remuneration, performance and value creation.</td>
<td>Pages 61 to 65</td>
</tr>
<tr>
<td>Provision 8.1 The policy and criteria for setting remuneration, as well as names, amounts and breakdowns of remuneration of (a) each individual Director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than SGD 250,000 and in aggregate the total remuneration paid to these key management personnel.</td>
<td>For the CEO and management: pages 63 to 65 For non-executive Directors: pages 46 to 47</td>
</tr>
<tr>
<td>Provision 8.2 Names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds SGD 100,000 during the year, in bands no wider than SGD 100,000. The disclosure states clearly the employer's relationship with the relevant Director or the CEO or substantial shareholder.</td>
<td>Page 56</td>
</tr>
<tr>
<td>Provision 8.3 All forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to Directors and key management personnel of the Company, and also details of employee share schemes.</td>
<td>For non-executive Directors: pages 46, 47, 55 and 56 For key management personnel: pages 63 to 65 For employee share schemes: pages 63, 109 and 110</td>
</tr>
<tr>
<td>Provision 9.2 Whether the Board has received assurance from (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the CEO and the other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.</td>
<td>Pages 58 to 59</td>
</tr>
<tr>
<td>Provision 11.3 Directors' attendance at general meetings of shareholders held during the financial year.</td>
<td>Pages 46 to 47</td>
</tr>
<tr>
<td>Provision 12.1 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.</td>
<td>Pages 76 to 77</td>
</tr>
<tr>
<td>Provision 13.2 The steps taken to solicit and understand the views of shareholders.</td>
<td>Pages 59 to 60</td>
</tr>
</tbody>
</table>

For key management personnel: pages 63 to 65
For employee share schemes: pages 63, 109 and 110
For non-executive Directors: pages 46, 47, 55 and 56
### Additional Guidelines - Express disclosure requirements

<table>
<thead>
<tr>
<th>Guideline</th>
<th>Description</th>
<th>Page reference in DBS Annual Report 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.17</td>
<td>An assessment of how the induction, orientation and training provided to new and existing Directors meet the requirements set out by the NC to equip the Board and the respective Board committees with relevant knowledge and skills in order to perform their roles effectively.</td>
<td>Pages 50 and 51</td>
</tr>
<tr>
<td>4.7</td>
<td>The names of the Directors submitted for appointment or re-appointment are accompanied by details and information to enable shareholders and the Board to make informed decisions. Such information, which accompanies the relevant resolution, includes: (a) date of first re-appointment; (b) professional qualifications; (c) any relationships including immediate family relationships between the candidate and the Directors, the Company or its substantial shareholders; (d) a separate list of all current directorships in other listed companies; (e) details of other principal commitments; and (f) any prior experience as a director of a listed issuer or as a director of a financial institution.</td>
<td>Pages 214 to 217</td>
</tr>
<tr>
<td>4.11</td>
<td>The resignation or dismissal of the key appointment holders.</td>
<td>Page 45</td>
</tr>
<tr>
<td>4.12</td>
<td>The identification of all Directors, including their designations (i.e. independent, non-executive, executive, etc.) and roles (as members or chairman of the Board or Board committees).</td>
<td>Pages 49, 191 to 195</td>
</tr>
<tr>
<td>9.9</td>
<td>The remuneration of any non-director with relevant expertise who has been appointed to the board risk committee.</td>
<td>Not applicable</td>
</tr>
<tr>
<td>9.11</td>
<td>The Board's comments on the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls, and risk management systems) are disclosed. A statement on whether the AC conurs with the Board's comment is disclosed. Where material weaknesses are identified by the Board or AC, the disclosure of the steps taken to address them.</td>
<td>Page 59</td>
</tr>
<tr>
<td>10.19</td>
<td>The AC comments on whether the internal audit function is independent, effective and adequately resourced.</td>
<td>Page 53</td>
</tr>
<tr>
<td>14.5</td>
<td>Material related party transactions.</td>
<td>Page 58</td>
</tr>
<tr>
<td></td>
<td><strong>Guideline 14.5</strong></td>
<td><strong>Guideline 14.5</strong></td>
</tr>
</tbody>
</table>

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### DBS Group Holdings Ltd and its Subsidiaries

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#### Independent Auditor's Report

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#### Consolidated Income Statement

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#### Consolidated Statement of Comprehensive Income

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#### Balance Sheets

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#### Consolidated Statement of Changes in Equity

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#### Consolidated Cash Flow Statement

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2. Summary of Significant Accounting Policies
3. Critical Accounting Estimates

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#### Income Statement

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#### Balance Sheet: Liabilities

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### DBS Bank Ltd

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#### Balance Sheet

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#### Notes to the Supplementary Financial Statements

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### Financial Statements

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The Directors are pleased to present their statement to the Members, together with the audited balance sheet of DBS Group Holdings Ltd (the Company or DBSH) and the consolidated financial statements of the Company and its subsidiaries (the Group) for the financial year ended 31 December 2021. These have been prepared in accordance with the provisions of the Companies Act 1967 (the Companies Act) and the Singapore Financial Reporting Standards (International).

In the opinion of the Directors:

(a) the balance sheet of the Company and the consolidated financial statements of the Group, together with the notes thereon as set out on pages 118 to 183, are drawn up so as to give a true and fair view of the financial position of the Company and the Group as at 31 December 2021, and the performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) as at the date of this statement, there are reasonable grounds to believe that the Company and the Group will be able to pay their debts as and when they fall due.

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

Mr Peter Seah (Chairman)
Mr Olivier Lim (Lead Independent Director)
Mr Piyush Gupta (Chief Executive Officer)
Dr Bonghan Cho
Mr Chng Kai Fong (Appointed 31 March 2021)
Mr Ho Tian Yee
Ms Punita Lal
Ms Judy Lee (Appointed 4 August 2021)
Mr Anthony Lim
Mr Tham Sai Choy

Mr Olivier Lim, Dr Bonghan Cho and Mr Tham Sai Choy will retire by rotation in accordance with Article 99 of the Company’s Constitution at the forthcoming annual general meeting (AGM) and, being eligible, will offer themselves for re-election at the AGM.

Mr Chng Kai Fong and Ms Judy Lee will retire in accordance with Article 105 of the Company’s Constitution at the forthcoming AGM and, being eligible, will offer themselves for re-election at the AGM.

Mr Olivier Lim, Dr Bonghan Cho and Mr Tham Sai Choy will retire by rotation in accordance with Article 99 of the Company’s Constitution at the forthcoming annual general meeting (AGM) and, being eligible, will offer themselves for re-election at the AGM.

Mr Chng Kai Fong and Ms Judy Lee will retire in accordance with Article 105 of the Company’s Constitution at the forthcoming AGM and, being eligible, will offer themselves for re-election at the AGM.

DBSH Share Plan

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

Under the terms of the DBSH Share Plan:

(a) Awards over DBSH’s ordinary shares may be granted to Group executives who hold such rank as may be determined by the CMDC from time to time. Awards may also be granted to (amongst others) executives of associated companies of DBSH who hold such rank as may be determined by the CMDC from time to time, and non-executive Directors of DBSH;

(b) Where time-based awards are granted, participants are awarded ordinary shares of DBSH or, at the CMDC’s discretion, their equivalent cash value or a combination of both as part of their deferred bonus, at the end of the prescribed vesting periods. Awards are granted under the DBSH Share Plan at the absolute discretion of the CMDC. Dividends on unvested shares do not accrue to employees.
Details of the share awards granted under the DBSH Share Plan to Directors of DBSH are as follows:

During the financial year, time-based awards in respect of an aggregate of 5,344,115 ordinary shares were granted pursuant to the DBSH Share Plan to selected employees of the Group. In addition, during the financial year, certain non-executive Directors received an aggregate of 34,017 share awards which vested immediately upon grant. These share awards formed part of their directors’ fees for 2020, which had been approved by the shareholders at DBSH’s annual general meeting held on 30 March 2021.

Arrangements to enable Directors to acquire shares or debentures

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

Audit Committee

The Audit Committee comprises non-executive Directors Mr Tham Sai Choy (Chairman), Mr Peter Seah, Dr Bonghan Cho, Ms Punita Lal, Mr Chng Kai Fong and Ms Judy Lee.

The Audit Committee performed its functions in accordance with the Companies Act, the SGX-ST Listing Manual, the Banking (Corporate Governance) Regulations 2005, the MAS Guidelines for Corporate Governance issued on 9 November 2021 and the Code of Corporate Governance 2018, which include, inter alia, the following:

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

Please refer to the Corporate Governance Report for further details on the activities of the Audit Committee during the financial year ended 31 December 2021.

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

The Audit Committee has recommended to the Board of Directors, the re-appointment of PwC as independent external auditor at the forthcoming AGM of the Company on 31 March 2022.

Independent Auditor

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

On behalf of the Directors

Mr Peter Seah

Mr Piyush Gupta

11 February 2022

Singapore
INDEPENDENT AUDITOR’S REPORT

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of DBS Group Holdings Ltd (the “Company”) and its subsidiaries (the “Group”) and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at 31 December 2021 and of the consolidated financial performance, the consolidated changes in equity and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

• the consolidated income statement of the Group for the year ended 31 December 2021;
• the consolidated statement of comprehensive income of the Group for the year ended 31 December 2021;
• the consolidated statement of changes in equity of the Group for the year then ended;
• the consolidated cash flow statement of the Group for the year then ended; and
• the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Materiality

We determined the overall Group materiality based on 5% of the Group’s profit before tax.

Group scoping

• Full scope audit procedures were performed over the Singapore Operations of DBS Bank Ltd. and DBS Bank (Hong Kong) Limited (“significant component entities”).
• We identified DBS Bank Ltd. Hong Kong, Taipei and Seoul Branches, DBS Bank (China) Limited, PT Bank DBS Indonesia, DBS Bank (Taiwan) Ltd. and DBS Bank India Limited (“component entities where certain account balances were considered to be significant in size in relation to the Group (“significant component entities”). Consequently, audit and specified procedures for the significant account balances of these component entities were performed to obtain sufficient and appropriate audit evidence.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements.

In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole, as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Our audit approach

Overview

Key audit matters

• Specific allowances for loans and advances to customers
• General allowances for credit losses (Stage 1 and 2 Expected Credit Loss)
• Goodwill
• Valuation of financial instruments held at fair value

How we determined overall Group materiality

<table>
<thead>
<tr>
<th>Rationale for benchmark applied</th>
<th>5% of the Group’s profit before tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>• We chose profit before tax as, in our view, it is the benchmark against which performance of the Group is most commonly measured.</td>
<td></td>
</tr>
<tr>
<td>• We selected 5% based on our professional judgement, noting that it is also within the range of commonly accepted profit-related thresholds.</td>
<td></td>
</tr>
</tbody>
</table>
How we developed the audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates. The Group's financial reporting process is dependent on its Information Technology ("IT") systems. Our audit scope included testing the operating effectiveness of the controls over the integrity of key financial data processed through the IT systems that are relevant to financial reporting.

In establishing the overall Group audit approach, we determined the extent of audit procedures that were needed to be performed across the Group by us or by other PwC network firms, operating under our instruction, who are familiar with the local laws and regulations in each respective territory (the "component auditors"). Where the work was performed by component auditors, we determined the level of involvement we needed to have in the procedures to be able to conclude whether sufficient and appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Specific allowances for loans and advances to customers

As at 31 December 2021, the specific allowances for loans and advances to customers of the Group was $2,545 million, the majority of which related to Institutional Banking Group ("IBG") customers. Specific allowances refer to loss allowances for credit-impaired exposures (i.e. Stage 3, per SFRS(I) 9), Expected Credit Losses ("ECL") on non-impaired exposures (i.e. Stage 1 and Stage 2) are set out under the "General allowances for credit losses" key audit matter.

We focused on this area because of the subjective judgements used by management in determining the methodology for, and estimating the size of, allowances against loans and advances.

In particular, we focused on specific allowances for loans and advances to IBG customers because any assessment of impairment can be inherently subjective and involves significant judgment over both the timing of recognition of any impairment and the estimation of the size of such impairment. This includes:

- the principal assumptions underlying the calculation of specific allowances for loans and advances to IBG customers where there is evidence of impairment (including the future profitability of the borrowers and the expected realisable value of collateral held); and
- the classification of loans and advances in line with MAS Notice 612 ("MAS 612") and MAS Notice 612A ("MAS 612A");

We applied judgment in selecting samples focused on borrowers with exposures to certain sectors in view of continued heightened credit risks and the effects of the COVID-19 pandemic impacting the portfolio.

How we addressed the key audit matter

We assessed the design and evaluated the operating effectiveness of the controls over the specific allowances for loans and advances to IBG customers. These controls included:

- oversight of credit risk by the Group Credit Risk Committee;
- timely management review of credit risk;
- timely identification of impairment events;
- classification of loans and advances in line with MAS 612 and MAS 612A; and
- the collateral monitoring and valuation processes.

We determined that we could rely on these controls for the purposes of our audit.

We inspected a sample of loans and advances to IBG customers to assess whether the classification of the loans and advances was in line with MAS 612 and MAS 612A and, where there was evidence of an impairment loss, whether it had been identified in a timely manner. This included, where relevant, how forbearance had been considered, with particular focus on the impact of COVID-19.

Where impairment had been identified, for a sample of loans and advances, our work included:

- considering the latest developments in relation to the borrower;
- examining the forecasts of future cash flows prepared by management, including key assumptions in relation to the amount and timing of recoveries;
- comparing the collateral valuation and other sources of repayment to support the calculation of the impairment against external evidence, where available, including independent valuation reports;
- challenging management’s assumptions; and
- testing the calculations.

For a sample of performing loans and advances to IBG customers which had not been identified by management as potentially impaired, considering the latest developments in relation to the borrower, we challenged management’s assumptions on whether their classification was appropriate, using external evidence where available in respect of the relevant borrower.

Based on procedures performed, we have assessed that the aggregate specific allowance for loans and advances is appropriate.

Key audit matter

General allowances for credit losses

Stage 1 and 2 Expected Credit Loss

SFRS(I) 9 Financial instruments ("SFRS(I) 9") requires an ECL impairment model which takes into account forward-looking information to reflect potential future economic events. In estimating ECL over future time-periods, significant judgement is required. Further, the COVID-19 pandemic has meant assumptions regarding economic outlook, and the consequent impact on the Group’s customers, are uncertain, increasing the degree of judgment required.

We focused on the Group’s measurement of general allowances on non-impaired exposures ($3,876 million). This covers both Stage 1 exposures (where there has not been a significant increase in credit risk), and Stage 2 exposures (where a significant increase in credit risk has been observed). The ECL framework implemented by the Group involves significant judgement and assumptions that relate to, amongst others:

- adjustments to the Group’s Basel credit models and parameters;
- use of forward-looking and macro-economic information;
- estimates for the expected lifetime of revolving credit facilities;
- assessment of significant increase in credit risk, and
- post model adjustments to account for limitations in the ECL models, for example the risk to the credit portfolios from the current COVID-19 pandemic.

(Refer also to Notes 3 and 11 to the financial statements.)

How we addressed the key audit matter

We critically assessed management’s assumptions and estimates relating to Stage 1 and Stage 2 ECL for retail and non-retail portfolios, as at 31 December 2021. This included assessing refinements in methodologies made during the year.

We tested the design and operating effectiveness of key controls focusing on:

- involvement of governance committees in reviewing and approving certain forward-looking macro-economic assumptions, including post model adjustments which reflect the unprecedented and higher uncertainty in credit outlook as a result of COVID-19;
- completeness and accuracy of external and internal data inputs into the ECL calculations; and
- accuracy and timeliness of allocation of exposures into Stage 1 and Stage 2 based on quantitative and qualitative triggers.

The Group’s internal experts continue to perform independent model validation of selected aspects of the Group’s ECL methodologies and assumptions each year. We reviewed their results as part of our work.

We also involved specialists to review the ECL of selected credit portfolios to assess if the methodologies and estimates are appropriate.

Through the course of our work, we challenged the rationale and calculation basis of post model adjustments. We also assessed the reasonableness of certain forward-looking economic inputs, as well as the overall ECL output, in light of credit conditions that may be expected to arise from the impact of COVID-19.

Overall, we concluded that the Group’s ECL on non-impaired exposures is appropriate.

Goodwill

As at 31 December 2021, the Group had $5,362 million of goodwill as a result of acquisition.

We focused on this area as management makes significant judgements in estimating future cash flows when undertaking its annual goodwill impairment assessment.

The key assumptions used in the discounted cash flow analyses relate to:

- cash flow forecasts;
- discount rate; and
- long-term growth rate.

(Refer also to Notes 3 and 27 to the financial statements.)

How we addressed the key audit matter

We assessed the appropriateness of management’s identification of the Group’s cash generating units and the process by which indicators of impairment were identified.

During the year, the Group refined its goodwill calculation for its acquisition of United Asia Bank. We have reviewed and assessed the basis of calculating the goodwill amount, and reviewed management’s goodwill impairment assessment as at 31 December 2021.

For DBS Bank (Hong Kong) Limited’s franchise (goodwill of $4,631 million as at 31 December 2021) we evaluated management’s cash flow forecasts and the process by which they were developed. Together with valuation specialists in our team, we assessed discount rate and growth rate assumptions against the Group’s own historical performance and available external industry and economic indicators.

We reviewed management’s sensitivity analysis over the key assumptions to determine whether any reasonably possible change in these assumptions would result in an impairment, and also performed our own stress analysis based on the circumstances in Hong Kong and considering the market outlook and the ongoing COVID-19 pandemic.

We concur with management’s assessment that goodwill balances are not impaired as at 31 December 2021.
Key audit matter

Valuation of financial instruments held at fair value

Financial instruments held by the Group at fair value include derivative assets and liabilities, trading securities, certain debt instruments and other assets and liabilities designated at fair value.

The Group’s financial instruments are predominantly valued using quoted market prices (Level 1) or market observable prices (Level 2). The valuations of Level 3 instruments rely on significant unobservable inputs.

We considered the overall valuation of financial instruments (Level 1 and 2) to be a key audit matter given the financial significance to the Group, the nature of the underlying products and the estimation involved to determine fair value.

In determining fair value, management also make adjustments to recognise credit risk, funding costs, bid-offer spreads and, in some cases, parameter and model risk limitations. This is broadly consistent with the banking industry, albeit the methodology to calculate some of these adjustments is continuing to evolve. (Refer also to Notes 3 and 4 to the financial statements.)

How our audit addressed the key audit matter

We assessed the design and tested the operating effectiveness of the controls over the Group’s financial instruments valuation processes. These included the controls over:

- management testing and approval of new models and revaluation of existing models;
- the completeness and accuracy of pricing data inputs into valuation models;
- monitoring of collateral disputes; and
- governance mechanisms and monitoring over the valuation processes (including derivative valuation adjustments) by the Group Market and Liquidity Risk Committee and the Group Valuation Committee.

We determined that we could rely on the controls for the purposes of our audit. In addition, we:

- engaged our own specialists to use their own models and input sources to determine an independent estimate of fair value for a sample of the Group’s Level 1 and Level 2 financial instruments. We compared these to the Group’s calculations of fair value to assess individual material valuation differences or systemic bias;
- assessed the reasonableness of the methodologies used and the assumptions made for a sample of financial instrument valuations with significant unobservable valuation inputs (Level 3 instruments);
- performed procedures on collateral disputes to identify possible indicators of inappropriate valuations;
- performed tests of inputs and assessed the methodology over fair value adjustments, in light of available market data and industry trends; and
- considered the implications of global reforms to Interest Reference Rates (“IBOR Reform”) in our assessment of fair value.

Overall, we considered that the valuation of financial instruments held at fair value was within a reasonable range of outcomes.

Other information

Management is responsible for the other information. The other information comprises the Directors’ Statement (but does not include the financial statements and our auditor’s report thereon), which we obtained prior to the date of this auditor’s report, and the other sections of the Annual Report (‘the Other Sections’) which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and IFRSs, and for designing and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability for assets.

In preparing the financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors’ responsibilities include overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements; whether due to fraud or error, design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of managements use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the directors, supervision and performance of the Group audit.
- we remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor’s report is Antony Eldridge.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 11 February 2022
### CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2021

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Note</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td></td>
<td>10,185</td>
<td>12,208</td>
</tr>
<tr>
<td>Interest expense</td>
<td></td>
<td>1,745</td>
<td>3,132</td>
</tr>
<tr>
<td>Net interest income</td>
<td></td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>5</td>
<td>3,524</td>
<td>3,062</td>
</tr>
<tr>
<td>Net trading income</td>
<td>6</td>
<td>1,791</td>
<td>1,405</td>
</tr>
<tr>
<td>Net income from investment securities</td>
<td>7</td>
<td>387</td>
<td>963</td>
</tr>
<tr>
<td>Other income</td>
<td>8</td>
<td>259</td>
<td>90</td>
</tr>
<tr>
<td>Non-interest income</td>
<td></td>
<td>5,961</td>
<td>5,557</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td></td>
<td>14,401</td>
<td>14,592</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>9</td>
<td>3,875</td>
<td>3,550</td>
</tr>
<tr>
<td>Other expenses</td>
<td>10</td>
<td>2,694</td>
<td>2,608</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td></td>
<td>6,569</td>
<td>6,158</td>
</tr>
<tr>
<td>Profit before allowances</td>
<td></td>
<td>7,832</td>
<td>8,434</td>
</tr>
<tr>
<td>Allowances for credit and other losses</td>
<td>11</td>
<td>52</td>
<td>3,066</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td></td>
<td>7,780</td>
<td>5,368</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>12</td>
<td>973</td>
<td>612</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td></td>
<td>6,807</td>
<td>4,756</td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders</td>
<td></td>
<td>6,805</td>
<td>4,721</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td></td>
<td>2</td>
<td>35</td>
</tr>
<tr>
<td><strong>Basic and diluted earnings per ordinary share ($)</strong></td>
<td>13</td>
<td>2.61</td>
<td>1.81</td>
</tr>
</tbody>
</table>

(The notes on pages 124 to 183 as well as the Risk Management section on pages 78 to 96 form part of these financial statements)

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2021

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td>6,807</td>
<td>4,756</td>
</tr>
<tr>
<td>Other comprehensive income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that may be reclassified subsequently to income statement:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Translation differences for foreign operations</td>
<td>361</td>
<td>(85)</td>
</tr>
<tr>
<td>Other comprehensive income of associates</td>
<td>12</td>
<td>(11)</td>
</tr>
<tr>
<td>Gains/losses on debt instruments classified at fair value through other comprehensive income and cash flow/hedge movements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revaluation taken to equity</td>
<td>(757)</td>
<td>1,215</td>
</tr>
<tr>
<td>Transferred to income statement</td>
<td>(390)</td>
<td>(636)</td>
</tr>
<tr>
<td><strong>Taxation relating to components of other comprehensive income</strong></td>
<td>88</td>
<td>(41)</td>
</tr>
<tr>
<td><strong>Items that will not be reclassified to income statement:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains/losses on equity instruments classified at fair value through other comprehensive income (net of tax)</td>
<td>122</td>
<td>(225)</td>
</tr>
<tr>
<td>Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)</td>
<td>(32)</td>
<td>25</td>
</tr>
<tr>
<td>Defined benefit plan remeasurements (net of tax)</td>
<td>(11)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other comprehensive income, net of tax</strong></td>
<td>(607)</td>
<td>262</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>6,200</td>
<td>5,018</td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders</td>
<td>6,194</td>
<td>4,983</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>6</td>
<td>35</td>
</tr>
<tr>
<td><strong>Basic and diluted earnings per ordinary share ($)</strong></td>
<td>6,200</td>
<td>5,018</td>
</tr>
</tbody>
</table>

(The notes on pages 124 to 183 as well as the Risk Management section on pages 78 to 96 form part of these financial statements)
### DBS Group Holdings Ltd and its Subsidiaries

#### BALANCE SHEETS

as at 31 December 2021

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th>The Company</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td>15</td>
<td>56,377</td>
</tr>
<tr>
<td>Government securities and treasury bills</td>
<td>16</td>
<td>53,262</td>
</tr>
<tr>
<td>Due from banks</td>
<td>18</td>
<td>51,377</td>
</tr>
<tr>
<td>Derivatives</td>
<td>36</td>
<td>19,681</td>
</tr>
<tr>
<td>Bank and corporate securities</td>
<td>17</td>
<td>69,692</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>18</td>
<td>408,993</td>
</tr>
<tr>
<td>Other assets</td>
<td>20</td>
<td>15,895</td>
</tr>
<tr>
<td>Associates and joint ventures</td>
<td>23</td>
<td>2,172</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>22</td>
<td>–</td>
</tr>
<tr>
<td>Properties and other fixed assets</td>
<td>26</td>
<td>3,262</td>
</tr>
<tr>
<td>Goodwill and intangibles</td>
<td>27</td>
<td>5,362</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>688,073</td>
</tr>
</tbody>
</table>

| **Liabilities** | |           |             |
| Due to banks | 28 | 30,209 | 28,220 | – | – |
| Deposits and balances from customers | 28 | 501,959 | 464,850 | – | – |
| Derivatives | 36 | 20,318 | 32,964 | 29 | 12 |
| Other liabilities | 29 | 18,667 | 22,072 | 75 | 87 |
| Due to subsidiaries | – | – | – | – | – |
| Other debt securities | 30 | 52,570 | 43,277 | 5,670 | 4,048 |
| Subordinated term debts | 31 | 4,636 | 3,970 | 4,636 | 3,970 |
| **Total liabilities** | | 628,359 | 595,295 | 11,129 | 9,064 |

| **Net assets** | | 57,714 | 54,643 | 20,399 | 21,508 |

| **Equity** | |           |             |
| Share capital | 32 | 11,383 | 10,942 | 11,425 | 10,968 |
| Other equity instruments | 33 | 2,392 | 3,401 | 2,392 | 3,401 |
| Other reserves | 34 | 3,810 | 4,397 | 131 | 157 |
| Revenue reserves | 34 | 39,941 | 35,886 | 6,451 | 6,982 |
| **Shareholders’ funds** | | 57,526 | 54,626 | 20,399 | 21,508 |

| **Non-controlling interests** | | 188 | 17 | – | – |

| **Total equity** | | 57,714 | 54,643 | 20,399 | 21,508 |

---

### DBS Group Holdings Ltd and its Subsidiaries

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Share capital</th>
<th>Other equity instruments</th>
<th>Other reserves</th>
<th>Revenue reserves</th>
<th>Shareholders’ funds</th>
<th>Non-controlling interests</th>
<th>Total</th>
<th>Share capital</th>
<th>Other equity instruments</th>
<th>Other reserves</th>
<th>Revenue reserves</th>
<th>Shareholders’ funds</th>
<th>Non-controlling interests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2021</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January</td>
<td>10,942</td>
<td>3,401</td>
<td>4,397</td>
<td>35,886</td>
<td>54,626</td>
<td>–</td>
<td>17</td>
<td>54,643</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>(16)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(16)</td>
<td>–</td>
<td>(16)</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale and disposal of investments</td>
<td>115</td>
<td>–</td>
<td>(117)</td>
<td>–</td>
<td>(2)</td>
<td>–</td>
<td>(2)</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Draw-down of reserves upon vesting of performance shares</td>
<td>–</td>
<td>(1,009)</td>
<td>–</td>
<td>1</td>
<td>(1,008)</td>
<td>–</td>
<td>(1,008)</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redemption of perpetual capital securities</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of share-based payments</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>134</td>
<td>–</td>
<td>–</td>
<td>134</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issue of shares pursuant to Scrip Dividend Scheme</td>
<td>342</td>
<td>–</td>
<td>–</td>
<td>(342)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid to shareholders</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(2,392)</td>
<td>–</td>
<td>(2,392)</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital contribution from non-controlling interests</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>3</td>
<td>–</td>
<td>3</td>
<td>152</td>
<td>153</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other movements</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(13)</td>
<td>–</td>
<td>(13)</td>
<td>–</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(607)</td>
<td>6,801</td>
<td>–</td>
<td>6,200</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>11,383</td>
<td>2,392</td>
<td>3,810</td>
<td>39,941</td>
<td>57,526</td>
<td>188</td>
<td>57,714</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **2020**      |               |                          |               |                 |                   |                        |       |               |                          |               |                 |                        |                        |       |
| Balance at 1 January | 10,948 | 2,009 | 4,102 | 30,572 | 50,881 | – | 181 | 51,709 |
| Purchase of treasury shares | (447) | – | – | – | (447) | – | (447) | – |
| Sale and disposal of investments | 162 | – | (164) | – | – | (2) | – | (2) |
| Draw-down of reserves upon vesting of performance shares | – | 1,392 | – | 1,392 | – | 1,392 | – | 1,392 |
| Issue of perpetual capital securities | – | – | – | – | – | – | – | – |
| Redemption of preference shares issued by a subsidiary | – | – | – | (1) | (1) | (1) | (799) | (800) |
| Cost of share-based payments | – | – | – | 131 | – | – | 131 | – |
| Issue of shares pursuant to Scrip Dividend Scheme | 279 | – | – | (279) | – | – | – | – |
| Dividends paid to shareholders | – | – | – | (2,411) | (2,411) | – | (2,411) | – |
| Dividends paid to non-controlling interests | – | – | – | – | – | (38) | – | (38) |
| Capital contribution from non-controlling interests | – | – | – | 4 | – | 4 | – | – |
| Total comprehensive income | – | – | – | 328 | 4,655 | 4,983 | 35 | 5,919 |
| **Balance at 31 December** | 11,383 | 2,392 | 3,810 | 39,941 | 57,526 | 188 | 57,714 | – |

(a) Includes distributions paid on capital securities classified as equity (2021: $127 million; 2020: $100 million)

(The notes on pages 124 to 183 as well as the Risk Management section on pages 78 to 96 form part of these financial statements)

(Notes on pages 124 to 183 as well as the Risk Management section on pages 78 to 96 form part of these financial statements)
### CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2021

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>7,780</td>
<td>5,368</td>
</tr>
<tr>
<td><strong>Adjustments for non-cash and other items:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowances for credit and other losses</td>
<td>52</td>
<td>3,066</td>
</tr>
<tr>
<td>Depreciation of properties and other fixed assets</td>
<td>669</td>
<td>648</td>
</tr>
<tr>
<td>Share of profits or losses of associates</td>
<td>(213)</td>
<td>(61)</td>
</tr>
<tr>
<td>Net gain on disposal, net of write-off of properties and other fixed assets</td>
<td>13</td>
<td>38</td>
</tr>
<tr>
<td>Net income from investment securities</td>
<td>134</td>
<td>131</td>
</tr>
<tr>
<td>Interest expense on lease liabilities</td>
<td>76</td>
<td>64</td>
</tr>
<tr>
<td><strong>Profit before changes in operating assets and liabilities</strong></td>
<td>8,154</td>
<td>8,319</td>
</tr>
<tr>
<td><strong>Increase/ (Decrease) in:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to banks</td>
<td>598</td>
<td>4,246</td>
</tr>
<tr>
<td>Deposits and balances from customers</td>
<td>33,162</td>
<td>57,164</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(16,913)</td>
<td>16,160</td>
</tr>
<tr>
<td>Other debt securities and borrowings</td>
<td>9,149</td>
<td>(14,250)</td>
</tr>
<tr>
<td><strong>(Increase)/ Decrease in:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted balances with central banks</td>
<td>(1,189)</td>
<td>(1,818)</td>
</tr>
<tr>
<td>Government securities and treasury bills</td>
<td>(1,168)</td>
<td>(379)</td>
</tr>
<tr>
<td>Due from banks</td>
<td>232</td>
<td>(1,465)</td>
</tr>
<tr>
<td>Bank and corporate securities</td>
<td>(2,777)</td>
<td>(5,340)</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>(10,518)</td>
<td>(13,460)</td>
</tr>
<tr>
<td>Other assets</td>
<td>15,199</td>
<td>(17,108)</td>
</tr>
<tr>
<td><strong>Tax paid</strong></td>
<td>(698)</td>
<td>(1,188)</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities (1)</strong></td>
<td>7,731</td>
<td>24,881</td>
</tr>
</tbody>
</table>

| Cash flows from investing activities | | |
| Dividends from associates | 42 | 31 |
| Capital distribution from an associate | 10 | – |
| **Acquisition of interests in associates and joint ventures:** | | |
| Proceeds from disposal of properties and other fixed assets | (1,108) | – |
| Other assets | 22 | 8 |
| **Purchase of properties and other fixed assets:** | | |
| (547) | (547) |
| **Net cash used in investing activities (2)** | (1,601) | (410) |

| Cash flows from financing activities | | |
| Issue of perpetual capital securities | – | 1,392 |
| Redemption of perpetual capital securities | (1,008) | – |
| Issue of subordinated term debts | 1,009 | – |
| Redemption of subordinated term debts | (257) | – |
| Interest paid on subordinated term debts | (64) | (66) |
| Redemption of preference shares issued by a subsidiary | – | (800) |
| Purchase of treasury shares | (16) | (447) |
| Dividends paid to non-controlling interests | – | (38) |
| Dividends paid to shareholders of the Company, net of scrip dividends | (2,392) | (2,411) |
| Net cash used in financing activities (3) | (2,582) | (2,369) |

| Exchange translation adjustments (4) | 940 | 170 |

| **Net change in cash and cash equivalents (1)+(2)+(3)+(4)** | 4,488 | 22,267 |

| **Cash and cash equivalents at 1 January** | 42,202 | 19,935 |
| **Cash and cash equivalents at 31 December (Note 15)** | 46,690 | 42,202 |

(a) Includes distributions paid on capital securities classified as equity.

(Notes on pages 124 to 183 as well as the Risk Management section on pages 78 to 96 form part of these financial statements.)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

These Notes are integral to the financial statements.

The consolidated financial statements for the year ended 31 December 2021 were authorised for issue by the Directors on 11 February 2022.

1. Domicile and Activities

The Company, DBS Group Holdings Ltd, is incorporated and domiciled in the Republic of Singapore and has its registered office at 12 Marina Boulevard, Marina Bay Financial Centre Tower Three, Singapore 018982.

The Company is listed on the Singapore Exchange.

The Company is an investment holding, treasury and funding vehicle for the Group. Its main subsidiary is DBS Bank Ltd (the Bank), which is wholly owned and engaged in a range of commercial banking and financial services, principally in Asia.

The financial statements relate to the Company and its subsidiaries (the Group) and the Group’s interests in associates and joint ventures.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

Compliance with Singapore Financial Reporting Standards (International) (SFRS(I))

The financial statements of the Company and the consolidated financial statements of the Group are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). As permitted by Section 201(1)(b) of the Companies Act (the Act), the Company’s income statement has not been included in these financial statements.

The financial statements are presented in Singapore dollars and rounded to the nearest million, unless otherwise stated.

2.2 Significant estimates and judgement

The preparation of financial statements requires management to exercise judgement, use estimates and make assumptions in the application of policies and in reporting the amounts in the financial statements. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement and complexity, are disclosed in Note 3.

2.3 New or amended SFRS(I) and Interpretations effective for 2021 year-end

On 1 January 2021, the Group adopted Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2. These amendments represent the second phase of SFRS(I) amendments (Phase 2 amendments), which were issued due to global reform of interest rate benchmarks, such as Interbank Offered Rates (IBORs), including replacing them with Alternative Reference Rates (ARRs).

In accordance with the transitional provisions, the amendments have been adopted prospectively. There is no material impact to the Group’s financial statements.

Further information is included in Note 37.

2.4 New SFRS(I) and Interpretations effective for future periods

The amendments and interpretations effective for future periods do not have a significant impact on the Group’s financial statements.

A) General Accounting Policies

A summary of the significant group accounting policies is described further below starting with those relating to the entire financial statements, followed by those relating to the income statement, the balance sheet and other specific topics. This does not reflect the relative importance of these policies to the Group.

2.5 Group Accounting

Subsidiaries

Subsidiaries (including structural entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date control is transferred to the Group to the date control ceases. The acquisition method is used to account for business combinations. Please refer to Note 2.13 for the Group’s accounting policy on goodwill.

All intra-group transactions and balances are eliminated on consolidation.

Associates and Joint Ventures

Associates are entities over which the Group has significant influence but no control, where the Group generally holds a shareholding of between and including 20% and 50% of the voting rights.

Joint ventures are entities which the Group has joint control and rights to the net assets of the entity.

Investments in associates and joint ventures are initially recognised at cost. On acquisition, when the Group’s share of the fair value of the identifiable net assets of the investment exceeds the cost of acquisition paid by the Group, the excess is recognised in profit and loss as part of the share of profit from associates and joint ventures.

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method of accounting, these investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of post-acquisition profits or losses and the Group’s share of other comprehensive income. Dividends received or receivable from the associates and joint ventures are recognised as a reduction of the carrying amount of the investments.

2.6 Foreign currency treatment

Functional and presentation currency

Items in the financial statements are measured using the functional currency of each entity in the Group, this being the currency of the primary economic environment in which the entity operates. The Group’s financial statements are presented in Singapore dollars, which is the functional currency of the Company.

With effect from 1 January 2021, the functional currency of the Treasury Markets trading business in Singapore (“TM Singapore”) changed prospectively from Singapore dollars to US dollars (USD).

The transition to the new USD functional currency on 1 January 2021 had no impact on the income statement or equity on transition date. The change in functional currency better reflects the increasing dominance of the USD in the business activities of TM Singapore.

Foreign currency transactions and balances

Transactions in foreign currencies are measured using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity undertaking the transaction at the exchange rates at the balance sheet date. Foreign exchange differences arising from this translation are recognised in the income statement within “Net trading income”.

Non-monetary assets and liabilities measured at cost in a foreign currency are translated using the exchange rates at the date of the transaction. Non-monetary assets and liabilities measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined, which is generally the balance sheet date.

Unrealised foreign exchange differences arising from non-monetary financial assets and liabilities classified as fair value through profit or loss (FVPL) are recognised in the income statement as trading income.

Non-monetary financial assets that are classified at fair value through other comprehensive income (PVOCI) relates mainly to PVOCI equities. Please refer to Note 2.9 for the accounting treatment of PVOCI equities.

Subsidiaries and branches

The results and financial position of subsidiaries and branches whose functional currency is not Singapore dollars (“foreign operations”) are translated into Singapore dollars in the following manner:

• Assets and liabilities are translated at the exchange rates at the balance sheet date.

• Income and expenses in the income statement are translated at exchange rates prevailing at each month-end, approximating the exchange rates at the dates of the transactions.

• All resulting exchange differences are recognised in other comprehensive income and accumulated under capital reserves in equity. When a foreign operation is partially or fully disposed of, or when it is liquidated, such exchange differences are recognised in the income statement as part of the gain or loss.

For acquisitions prior to 1 January 2005, the foreign exchange rates at the respective dates of acquisition were used. Please refer to Note 2.7 for an overview of goodwill recorded. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2009 are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to management.

In preparing the segment information, amounts for each business segment are shown after the allocation of certain centralised costs, funding income and the application of transfer pricing, where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

Please refer to Note 45 for further details on business and geographical segment reporting.
B) Income Statement

2.8 Income recognition

Interest income and interest expense

Interest is accrued on all interest-bearing financial assets and financial liabilities, regardless of their classification and measurement, except for limited transactions measured at FVPL where the economics are better reflected in “Net trading income”. Interest income and interest expense are recognised on a time proportionate basis using the effective interest method. The calculation includes significant fees and transaction costs that are integral to the effective interest rate, as well as premiums or discounts.

Fee and commission income

The Group earns fee and commission income from a diverse range of products and services provided to its customers. Fee and commission income is recognised when the Group has satisfied its performance obligation in providing products and services to the customer, and are recognised based on contractual rates agreed with customers, net of expected waivers based on historical experience, and net of expenses directly related to it. The Group generally satisfies its performance obligation and recognises the fee and commission income on the following basis:

• Transaction-based fee and commission income is recognised on the completion of the transaction. Such fees include underwriting fees, brokerage fees, bankcard sales, commission and variable service fees, and fees related to the completion of corporate finance transactions.

• For a service that is provided over a period of time, fee and commission income is generally recognised on equal proportion basis over the period during which the related service is provided or credit risk is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time. Fees for these services can be billed to customers in advance or periodically over time. Such fees include the income from insurance products and bankcard sales fixed service fees.

The Group does not provide any significant credit terms to customers for the above products and services.

Directly related expenses typically include brokerage fees paid, card related expenses and sales commissions, but do not include expenses for services delivered as part of service contracts and other expenses that are not specifically related to fee and commission income transactions.

Dividend income

Dividend income is recognised when the right to receive payment is established. This is generally the ex-dividend date for listed equity securities, and the date when shareholders approve the dividend for unlisted equity securities. Dividend income arising from financial assets classified as FVPL is recognised in “Net trading income”, while those arising from FVOCI financial assets is recognised in “Net income from investment securities”.

Allowances for credit and other losses

Please refer to Note 2.11 for the accounting policy on impairment of financial assets.

2.9 Financial assets

Initial recognition

Purchases and sales of all financial assets are recognised on the date that the contractual arrangements with counterparties, when the Group acts as a trustee or in a fiduciary capacity for assets, it does not directly control or benefit from, the assets and the corresponding income belonging to a customer are excluded from the financial statements.

Financial assets are initially recognised at fair value, which is generally the transaction price.

Classification and subsequent measurement

SFRS (I) categorises debt-like financial assets based on the business model within which the assets are managed, and whether the assets constitute a “basic lending arrangement” where their contractual cash flows represent solely payments of principal and interest (SPPI), or whether the assets are classified based on the consideration for the time value of money, credit risk, other basic lending risks and may include a profit margin.

The classification of the financial assets and the associated accounting treatment is as follows:

• Debt instruments are measured at amortised cost when they are in a “hold to collect” (HTC) business model and have contractual cash flows that are SPPI in nature. The objective of a HTC business model is to collect contractual principal and interest cash flows. Sales are incidental to the objective and expected to be either insignificant or infrequent. These assets consist primarily of loans in the “Consumer Banking/ Wealth Management” and “Institutional Banking” segments as well as debt securities from the “Others” segment.

• Debt instruments are measured at fair value through other comprehensive income (FVOCI) when they are in a “hold to collect & IFRS 9” (HTC & S) business model and have cash flows that are SPPI in nature. Both the collection of contractual cash flows and sales are integral to the achievement of the objective of the HTC & S business model. Assets measured at FVOCI comprises mainly of debt securities from “Treasury Markets” and the “Others” segment.

Unrealised gains or losses on FVOCI debt instruments are recorded in other comprehensive income and accumulated in FVOCI revaluation reserves. When they are sold, the accumulated fair value adjustments in FVOCI are reclassified to the income statement as “Net income from investment securities”.

• Debt instruments are measured at fair value through profit or loss (FPL) when:
  i) the assets are not SPPI in nature;
  ii) the assets are not part of a “HTC” or “HTC & S” business model; or
  iii) the assets are designated at FVPL to eliminate or significantly reduce the measurement or recognition inconsistencies that would otherwise arise from measuring assets or liabilities on different bases.

Assets measured at FVPL are mainly recorded in the “Treasury Markets” segment. Realised and unrealised gains or losses on FVPL financial assets are taken to the income statement in the period they arise.

Subsequent changes in fair value of non-trading equity can be taken through profit or loss or comprehensive income, as elected. The Group generally elects to reclassify non-trading equity instruments to be classified as FVOCI. Other than dividend income, gains and losses on FVOCI equity instruments are recorded in other comprehensive income and accumulated in FVOCI revaluation reserves, and not reclassified to profit or loss upon derecognition.

Derivatives (including derivatives embedded in financial liabilities but separated for accounting purposes) are also classified as held for trading unless they are designated as hedging instruments. Derivatives are classified as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of derivatives other than those designated as hedging instruments in cash flow or net investment hedges are included in “Net trading income”.

Reclassification

Redetermination of financial assets are prohibited unless the Group changes its business model for managing financial assets. In practice, this is expected to be infrequent.

Determination of fair value

The fair value of financial assets is the price that would be received if the asset is sold in an orderly transaction between market participants at the measurement date. Fair value is generally estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. Where applicable, a valuation reserve or pricing adjustment is applied to arrive at the fair value. The determination of fair value is considered a significant accounting policy for the Group and further details are disclosed in Note 41.

Offsetting

Financial assets and liabilities are presented net when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle them on a net basis, or realise the asset and settle the liability simultaneously.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when they have been transferred together with substantially all the risks and rewards of ownership. The Group enters into certain transactions where it transfers financial assets recognised on its balance sheet but retains either all or a portion of the risks and rewards of the transferred financial assets. In such cases, the transferred financial assets are not derecognised from the balance sheet. Such transactions include repurchase agreements described in Note 2.12. They also include transactions where control over the financial asset is retained, for example, by a simulataneous transaction (such as options) with the same counterparty to which the asset is transferred. These are mainly transacted in the “Treasury Markets” segment. In such cases, the Group continues to recognise the asset to the extent of its continuing involvement, which is the extent to which it is exposed to changes in the value of the transferred asset.

Please refer to Note 19 for disclosures on transferred financial assets.

2.10 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, balances with banks and unrestricted balances with central banks which are readily convertible into cash.

2.11 Impairment of financial assets at amortised cost and FVOCI

Expected Credit Losses (ECL)

ECL are recognised for all financial assets held at amortised cost, debt instruments measured at FVOCI, guarantees and undrawn credit commitments. It represents the present value of expected cash shortfalls over the residual term of a financial asset, guarantee or undrawn commitment.

At initial recognition, allowance is required for ECL resulting from possible default events that may occur within the next 12 months (12-month ECL) in the event of a significant increase in credit risk, allowance is required for ECL resulting from possible default events over the expected life of the financial instrument (Lifetime ECL).

The ECL recognised follows the three-stage model: financial instruments where 12-month ECL is recognised are considered Stage 1; financial instruments which experience a significant increase in credit risk are in Stage 2, and financial instruments with objective evidence of default or credit-impaired are in Stage 3.

• Stage 1 - Financial instruments are classified as Stage 1 at initial recognition and will remain under Stage 1 unless they experience a significant increase in credit risk or become credit-impaired. 12-month ECL is recognised for these instruments.

• Stage 2 - Financial instruments which experience a significant increase in credit risk (SIR) subsequent to initial recognition, but are not yet credit-impaired, will migrate from Stage 1 to Stage 2. Lifetime ECL is recognised for these instruments.

• Significant increase in credit risk (SIR): SIR is assessed by comparing the risk of default at origination using a range of qualitative and quantitative factors.

For wholesale exposures, a financial instrument is deemed to have experienced a significant increase in credit risk when:

• the observed change in its probability of default (PD), as observed by downgrades in the Group's internal credit risk rating for this instrument between origination and reporting dates, is more than pre-specified thresholds; or

• it is placed on internal credit watchlists for closer scrutiny of developing credit issues.

For retail exposures, days past due is the main driver, supplemented by a PD-based criterion. In any event, all retail and wholesale exposures that are more than 30 days past due are presumed to have experienced a significant increase in credit risk, unless assessed otherwise, and are classified as Stage 2.

Instruments in Stage 2 that no longer exhibit a significant increase in credit risk will be transferred back to Stage 1.

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Financial instruments that become credit-impaired with evidence of default, i.e. non-performing assets, are transferred to Stage 3. Please refer to Risk Management Section for the definition of non-performing assets.

Lifetimes ECL is recognised for these assets. ECL for Stage 3 assets are also known as specific allowances.

Stage 3 exposure that remain non-performing can be upgraded to Stage 2 if there are reasonable grounds to conclude that the obligor is able to service future principal and interest payments in accordance with the restructuring terms. Stage 3 financial assets are written-off, in whole or in part, when the Group has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of future recovery.

Measurement of ECL
ECLs are unbiased and probability-weighted estimates of credit losses determined by evaluating a range of possible outcomes, considering past events, current economic conditions and forecasts of future economic conditions at the reporting date. The ECL associated with a financial instrument is a point-in-time equivalent by adding the unaccounted portion of cyclical variations, as well as to incorporate forward-looking information. LGDs are determined using historical loss data, which are adjusted for both the latest and forecasted recovery experience.

The Group relies on a Monte Carlo simulation approach to consider over 100 probability-weighted forward-looking scenarios in estimating ECL. This involves simulations of many alternative ECL scenarios to arrive at an unbiased ECL estimate that are meant to cover all possible good and bad scenarios based on known estimates.

For portfolio financial instruments, historical loss experience is used in conjunction with the forecast loss rates which take into account relevant macroeconomic variables, such as property prices and unemployment rates.

Expert credit judgement and post model adjustments
The measurement of ECL requires the application of expert credit judgement and post model adjustments. These include:

- assignment of credit risk ratings and determination of whether exposures should be placed on credit watchlists;
- assessment of whether a significant increase in credit risk has occurred;
- selecting and calibrating the ECL models such as LGD; determining the expected remaining maturity of revolving products and determining the expected remaining life;
- determination of the forecast loss rates; and
- application of thematic overlays based on emerging risk themes where potential risks may not be fully captured in the underlying modelled ECL. Such top-down additional modelled ECL was quantified by means of applying conditional probabilities on more severe scenarios materialising from emerging risk themes.

The Group has two thematic overlays as at 31 December 2021. In addition to the base scenarios generated by the model, the Group has incorporated a stress scenario and assigned probabilities to the scenarios, in line with management’s judgement of the likelihood of each scenario. The stress scenario assumes Covid-19 recovery being derailed by higher global inflation which triggers rate hikes and causes financial market dislocation. An additional thematic overlay was introduced in 2021 to address pricing pressures and risks of asset stranding that the conventional energy sector could face as a result of a transition to a low-carbon economy. Probabilities were assigned to the scenarios in line with management’s judgement of the likelihood of each scenario.

Goverance framework
The measurement of ECL is subject to a robust governance framework and is managed by the Group as follows:

- The Group ECL Review Committee (Review Committee) is the overarching committee for ECL related matters and comprises senior management and representatives from functions across the Group.
- The Group ECL Review Committee reviews changes to ECL models and methodologies and the application of thematic overlays are subject to the oversight and approval of the Review Committee.
- The Review Committee is supported by the Group ECL Operating Committee (Operating Committee) which comprises cross functional representatives and subject matter experts. The Operating Committee ensures that changes to ECL models, methodologies and thematic overlays to the Review Committee; provides oversight over system development and infrastructure; and establishes principles and significant policies pertaining to ECL. Group Credit Risk Models Committee oversees ECL models and credit risk models used by the Group.
- Location ECL committees are established for key overseas subsidiaries to govern and manage location-specific ECL reporting.
- ECL models are subject to independent validation by the Risk Management Group (RMG) as well as independent reviews, by internal and external auditors. The validation and assurance processes cover the review of the underlying ECL methodology including its logic and resultant outcomes.

2.12 Repurchase agreements
Repurchase agreements (Repos) are arrangements where the Group sold the securities but are subject to a commitment to repurchase or redeem the securities at a pre-determined price. The securities are retained on the balance sheet as Group retains substantially all the risks and rewards of ownership and these securities are disclosed within “furniture and fittings” in the statement of financial position (Note 19). The consideration received is recorded as financial liabilities in either “due to banks” or “deposits and balances from customers”. Short-dated repos transacted as part of Treasury Markets activities are measured at FVPL.

Reverse repurchase agreements (Reverse repos) are arrangements where the Group purchased the securities but are subject to a commitment to resell or return the securities at a pre-determined price. The securities are reflected as financial assets and the Group is subject to a concentration of risk from the counterparty. The securities are reflected as financial assets in either “due from banks” or “loans and advances to customers”. Short-dated reverse repos transacted as part of Treasury Markets activities are measured at FVPL.

2.13 Goodwill
Goodwill arising from business combinations generally represents the excess of the acquisition cost over the fair value of identifiable assets acquired and liabilities and contingent liabilities assumed on the acquisition date. Goodwill is subject to impairment test at least annually for impairment. At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units (CGU) or group of CGUs expected to benefit from the combination’s synergies. Conversely, the recoverable amount of a CGU or group of CGUs is the highest of the CGUs or group of CGUs’ fair value less cost to sell and its value-in-use. An impairment loss on goodwill is recognised in the income statement and cannot be reversed in subsequent periods.

Leased properties and other fixed assets
Lease liabilities are initially measured at the present value of lease payments to be made over the lease term at the lease commencement date. The associated right-of-use assets are measured at the amount that approximates the lease liability.

Lease liabilities are subsequently measured at amortised cost using the effective interest method. The right-of-use assets are depreciated over the lease term on a straight-line basis.

Extension options and termination options are included in the assessment of the lease term if the options are reasonably certain to be exercised or not exercised accordingly. If the Group changes its initial assessment, adjustments are made to the carrying amount of the lease liabilities and right-of-use assets prospectively.

The recognition exceptions for short-term leases and leases of low-value assets are applied. Please refer to Note 26 for the details of owned and leased properties and other fixed assets.

2.15 Financial liabilities
Initial recognition, classification and subsequent measurement
Financial liabilities are initially recognised at fair value. The Group generally classifies and measures its financial liabilities in accordance with the purpose for which the financial liability is entered into and managed. Accordingly:

- Financial liabilities are classified as financial liabilities at fair value through profit or loss if they are incurred for the purpose of repurchasing in the near term (“held for trading”), and this may include debt securities issued and short positions in securities for the purpose of ongoing market-making or trading. Financial liabilities at fair value through profit or loss can also be designated by management on initial recognition (“designated at fair value through profit or loss”) if doing so eliminates or significantly reduces measurement or recognition inconsistencies that would otherwise arise, or if the financial liability carries a risk profile that would otherwise need to be separately reported, or if a group of financial liabilities or financial assets and liabilities is managed and the fair value performance is evaluated on a fair value basis. Financial liabilities in this classification are usually within the “Treasury Markets” segment.

- Financial liabilities at fair value through profit or loss or financial assets at fair value through profit or loss are measured at fair value with changes in fair value through profit or loss recognised in profit or loss. Financial assets at fair value through profit or loss are measured at fair value with changes in fair value through profit or loss recognised in profit or loss.
Realised or unrealised gains or losses on financial liabilities held for trading and financial liabilities designated under the fair value option, except interest expense, are taken to “Net trading income” in the income statement in the period they arise.

The changes to the fair value of financial liabilities designated under the fair value option that are attributable to a reporting entity's own credit risk are taken to other comprehensive income. These amounts are not transferred to the income statement even when realised.

• Derivative liabilities are treated consistently with derivative assets.

Please refer to Note 2.9 for the accounting policy on derivatives.

• Other financial liabilities are carried at amortised cost using the effective interest method. These comprise predominantly the Group’s “Deposits and balances from customers,” “Due to banks,” and “Other debt securities”.

Where the classification and measurement of financial liabilities do not reflect the management of the financial liabilities, the Group may apply hedge accounting where permissible and relevant to better reflect the management of the financial liabilities. Please refer to Note 2.19 for details on hedging and hedge accounting.

Please refer to Note 14 for further details on the types of financial liabilities classified and measured as above.

Determination of fair value
The fair value of financial liabilities is the price that would be paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Please refer to Note 41 for further fair value disclosures.

Derecognition
A financial liability is derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.16 Loan commitments, letters of credit and financial guarantees
Loan commitments
Loan commitments are not recognised on the balance sheet and are disclosed in Note 35. Upon a loan drawdown, the amount of the loan is generally recognised as “Loans and advances to customers” on the Group’s balance sheet.

Letters of credit
Letters of credit are recorded off-balance sheet as contingent liabilities upon issuance, and the corresponding payables to the beneficiaries and receivables from the applicants are recognised on the balance sheet upon acceptance of the underlying documents.

Financial guarantees
Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantees are given. Financial guarantees are subsequently measured at the higher of:

• the amount of the ECL (Note 2.11); and
• the unrecognised portion of the fees that were received on initial recognition.

Please refer to Note 2.8 for the principles for recognising the fees. Off-balance sheet credit exposures are managed for credit risk in the same manner as financial assets.

Please refer to Note 2.11 on the Group’s accounting policies on allowances for credit losses.

2.17 Provisions and other liabilities
Provisions for other liabilities of uncertain timing and amounts are recognised when:

• the Group has a present legal or constructive obligation as a result of past events;
• it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
• a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

2.18 Share capital and other instruments classified as equity
Ordinary shares, preference shares and other instruments which do not result in the Group having a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable to the Group, are classified as equity. Distributions arising from such instruments are recognised in equity as there is no contractual obligation to pay distributions on these instruments. Incremental external costs directly attributable to the issuance of such instruments are accounted for as a deduction from equity.

When any entity within the Group purchases the Company’s ordinary shares (“treasury shares”), the consideration paid, including any directly attributable incremental cost is presented as a component within equity, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of the treasury shares is deducted against either the share capital account or retained earnings. When treasury shares are subsequently sold or reissued, any realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in other reserves.

For ordinary and preference shares, interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders at the Annual General Meeting.

The effective portion of the changes in the fair value of a derivative designated and qualified as a cash flow hedge is recognised in other comprehensive income and accumulated under the cash flow hedge reserves in equity. This amount is reclassified to the income statement in the period when the hedged forecast cash flows affect the income statement. The ineffective portion of the gain or loss is recognised immediately in the income statement under “Net trading income”.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the accounting for the carried amount of a hedged item is amortised, using the effective interest method, to the income statement over its remaining maturity.

In situations where the carried amount of an item is not reassessed at the beginning of each reporting period, any amount previously accumulated in other comprehensive income is recognised in the income statement on a pro-rata basis.

2.19 Hedging and hedge accounting
As part of the overall risk management of the Group, derivatives and other instruments are used to manage exposures to interest rate and foreign currency risks, including exposures arising from financial transactions.

Where hedging accounting is not applied, the derivatives are treated in the same way as derivatives held for trading purposes, i.e., realised and unrealised gains and losses are recognised in “Net trading income”. The Group applies hedge accounting for economic hedge relationships that meet the hedge accounting criteria. To qualify for hedge accounting, at the inception of each hedging relationship, the Group designates and documents the relationship between the hedging instrument and the hedged item; the risk management objective for undertaking the hedge transaction; and the methods used to assess the effectiveness of the hedge.

At inception and on an on-going basis, the Group also assesses and measures the effectiveness of the hedge relationship between the hedging instrument and the hedged item.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between hedging instrument and the hedged item. The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations, as described below.

• Fair value hedge

For a qualifying fair value hedge, the changes in the fair value of the hedging instruments are recorded in the income statement, together with any changes in the fair value of the hedged item attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised, using the effective interest method, to the income statement over its remaining maturity.

Where, however, where the hedged item is an equity instrument classified as FVOCI, changes in the fair value of the hedging instrument and the hedged item are reclassified in other comprehensive income and accumulated in FVOCI revaluation reserves. The amounts recorded in FVOCI revaluation reserves are not subsequently reclassified to the income statement.

• Cash flow hedge

The effective portion of changes in the fair value of a derivative designated and qualified as a cash flow hedge is recognised in other comprehensive income and accumulated under the cash flow hedge reserves in equity. This amount is reclassified to the income statement in the period when the hedged forecast cash flows affect the income statement. The ineffective portion of the gain or loss is recognised immediately in the income statement under “Net trading income”.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the cash flow hedge reserves remains until the forecast transaction is recognised in the income statement. When a forecast transaction has no longer expected to occur, the cumulative gain or loss in the cash flow hedge reserves is reclassified from equity to the income statement.

Net investment hedge
Hedges of net investments in the Group’s foreign operations are accounted for in a manner similar to cash flow hedges. On disposal of the foreign operations, the cumulative gain or loss in the capital reserves is reclassified to the income statement as part of the gain or loss on disposal.

When designating the hedging instrument, the Group may elect to exclude the valuation components of currency basis spreads and foreign points from the hedge relationship on a hedge-by-hedge basis.

The forward points and currency basis spreads which are excluded and recorded in other comprehensive income are:

• reclassified to the income statement when the forecast transaction occurs;
• amortised to the income statement over the hedging tenor for time-period hedges. The amounts recorded in other comprehensive income are not subsequently reclassified to the income statement for hedges of FVOCI equities.

The Group has elected to apply the SFRS(9) 9 hedge accounting rules in full.

Please refer to Note 38 for further details relative to hedge accounting, including fair value, cash flow and net investment hedges.

2.20 Employee benefits

Employee benefits, which include base pay, cash bonuses, share-based compensation, contribution to defined contribution plans such as the Central Provident Fund and other staff-related allowances, are recognised in the income statement when incurred.

For defined contribution plans, contributions are made to publicly or privately administered funds on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations.

Employee entitlement to annual leave is recognised when they accrue to employees. A provision is made for the estimated liability for annual unutilised leave as a result of services rendered by employees up to the balance sheet date.

2.21 Share-based compensation

Employee benefits also include share-based compensation, namely the DBS Share Plan, the DBSH Employee Share Plan and the DBSH Employee Share Purchase Plan (the Plans). The details of the Plans are described in Note 39.

Equity instruments granted and ultimately vested under the Plans are recognised in the income statement based on the fair value of the equity instrument at the date of grant. The expense is amortised over the vesting period of each award, with a corresponding adjustment to the share plan reserves.

A trust has been set up for each share plan. The employee trust funds are consolidated and the DBSH shares held by the trust funds are accounted for as “treasury shares”, which is presented as a deduction within equity. The trust deeds for DBSH Share Plan and DBSH Employee Share Plan expired on 27 January 2021, following which the Company directly undertakes the administration of these Plans.
2.22 Current and deferred taxes

Current income tax for current and prior periods is recognised as the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Group considers uncertain tax positions generally at the level of the total tax liability to each tax authority for each period. The liability is determined based on the total amount of current tax expected to be paid, taking into account all tax uncertainties, using either an expected value approach or a single best estimate of the most likely outcome.

Tax assets and liabilities of the same type (current or deferred) are offset when a legal right of offset exists and settlement in this manner is intended. This applies generally when they arise from the same tax reporting group and relate to the same tax authority.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the balance sheet date. The amount of deferred tax assets recognised takes into account the likelihood that the amount that can be used to offset taxable profits on future profits. Deferred tax related to fair value re-measurement of PVOCI investments, which are recognised outside profit or loss, is also recognised outside profit or loss, i.e. in other comprehensive income and accumulated in the PVOCI revaluation reserves.

3. Critical Accounting Estimates

The Group’s accounting policies and use of estimates are integral to the reported amounts in the financial statements. Certain accounting estimates require management’s judgement in determining the appropriate methodology for valuation of assets and liabilities. Procedures are in place to ensure that methodologies are reviewed and revised as appropriate. The Group believes its estimates for determining the valuation of its assets and liabilities are appropriate.

The following is a brief description of the Group’s critical accounting estimates that involve management’s valuation judgement.

3.1 Impairment of financial assets

It is the Group’s policy to recognise, through charges against profit, allowances in respect of estimated and inherent credit losses in its portfolio as described in Note 2.11.

ECLs are probability-weighted amounts determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessments of future economic conditions, which will necessarily involve the use of judgement.

The Covid-19 pandemic, related measures to control the spread of the virus and governmental support to mitigate the impact of the pandemic had a profound economic impact on the Group’s key markets. A significant degree of judgement is thus required in estimating the ECLs in the current environment. Please refer to Note 2.11 for more details.

Please refer to Risk Management section for a further description of the Group’s credit risk management framework, policies and procedures.

3.2 Fair value of financial instruments

The majority of the Group’s financial instruments reported at fair value are based on quoted and observable market prices or on internally developed models that are based on independently sourced or verified market parameters.

The fair value of financial instruments without an observable market price in an active market may be determined using valuation models. The choice of model requires significant judgement for complex products especially those in the “Treasury Markets” segment.

Policies and procedures have been established to facilitate the exercise of judgement in determining the risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors used in the valuation process. Please refer to Note 41 for further details on fair valuation and fair value hierarchy of the Group’s financial instruments measured at fair value.

3.3 Goodwill impairment

The Group performs an impairment review to ensure that the carrying amount of a CGU to which goodwill is allocated does not exceed the recoverable amount of the CGU. Note 27 provides details of the procedures at the reporting date.

The recoverable amount represents the present value of the estimated future cash flows expected to arise from continuing operations. Therefore, in arriving at the recoverable amount, management exercises judgement in estimating the future cash flows, growth rate and discount rate.

3.4 Income taxes

The Group has exposure to income taxes in several jurisdictions. The Group recognises liabilities for expected tax issues based on reasonable estimates of the most likely outcome.

Uncertainties, using either an expected value approach or a single best estimate of the total tax liability to each tax authority for each period. The liability is determined based on the total amount of current tax expected to be paid, taking into account all tax uncertainties, using either an expected value approach or a single best estimate of the most likely outcome.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the balance sheet date.

The amount of deferred tax assets recognised takes into account the likelihood that the amount that can be used to offset taxable profits on future profits. Deferred tax related to fair value re-measurement of PVOCI investments, which are recognised outside profit or loss, is also recognised outside profit or loss, i.e. in other comprehensive income and accumulated in the PVOCI revaluation reserves.

4. Net Interest Income

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with central banks and Due from banks</td>
<td>419</td>
<td>645</td>
<td></td>
</tr>
<tr>
<td>Customer non-trade loans</td>
<td>6,947</td>
<td>8,062</td>
<td></td>
</tr>
<tr>
<td>Trade assets</td>
<td>640</td>
<td>1,017</td>
<td></td>
</tr>
<tr>
<td>Securities and others</td>
<td>2,179</td>
<td>2,496</td>
<td></td>
</tr>
<tr>
<td>Total interest income</td>
<td>10,188</td>
<td>12,208</td>
<td></td>
</tr>
<tr>
<td>Deposits and balances from customers</td>
<td>1,184</td>
<td>2,175</td>
<td></td>
</tr>
<tr>
<td>Other borrowings</td>
<td>561</td>
<td>917</td>
<td></td>
</tr>
<tr>
<td>Total interest expense</td>
<td>1,716</td>
<td>2,112</td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>8,440</td>
<td>9,096</td>
<td></td>
</tr>
</tbody>
</table>

Comprising:
- Interest income from financial assets at FVPL | 547 | 784 |
- Interest income from financial assets at fair value through OCI (FVOCI) | 457 | 503 |
- Interest income from financial assets at amortised cost | 9,181 | 10,921 |
- Interest expense from financial liabilities at FVOCI | (194) | (229) |
- Interest expense from financial liabilities at fair value through profit or loss (FVPL) | (1,551) | (2,903) |

Total | 8,440 | 9,096 |

(a) Includes interest expense of $10 million (2020: $18 million) on lease liabilities.

5. Net Fee and Commission Income

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment banking</td>
<td>218</td>
<td>148</td>
<td></td>
</tr>
<tr>
<td>Transaction services(b)</td>
<td>925</td>
<td>821</td>
<td></td>
</tr>
<tr>
<td>Loan-related</td>
<td>413</td>
<td>417</td>
<td></td>
</tr>
<tr>
<td>Cards(b)</td>
<td>715</td>
<td>641</td>
<td></td>
</tr>
<tr>
<td>Wealth management(c)</td>
<td>1,786</td>
<td>1,506</td>
<td></td>
</tr>
<tr>
<td>Fee and commission income</td>
<td>4,057</td>
<td>3,513</td>
<td></td>
</tr>
<tr>
<td>Less: fee and commission expense</td>
<td>538</td>
<td>478</td>
<td></td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>3,524</td>
<td>3,035</td>
<td></td>
</tr>
</tbody>
</table>

(b) Includes the institutional and retail brokerage fees previously presented under the depository business that were reclassified to transaction services and wealth management fees respectively. Prior year’s comparisons have been restated to conform with current year’s presentation.

(c) Includes wealth management fees and other fee and commission income.

6. Net Trading Income

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net trading income(a)</td>
<td>1,202</td>
<td>852</td>
<td></td>
</tr>
<tr>
<td>- Foreign exchange</td>
<td>191</td>
<td>1,226</td>
<td></td>
</tr>
<tr>
<td>- Interest rates, credit, equity and others(b)</td>
<td>(7)</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Net (loss)/gain from financial assets designated at fair value</td>
<td>405</td>
<td>(681)</td>
<td></td>
</tr>
</tbody>
</table>

Total | 1,791 | 1,455 |

(a) Includes income from assets that are mandatorily classified at FVTPL.

(b) Includes dividend income of $102 million (2020: $231 million).

7. Net Income from Investment Securities

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt securities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- PVOCI</td>
<td>140</td>
<td>428</td>
<td></td>
</tr>
<tr>
<td>- Amortised cost</td>
<td>98</td>
<td>411</td>
<td></td>
</tr>
<tr>
<td>Equity securities at FVOCI(b)</td>
<td>149</td>
<td>124</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>387</td>
<td>963</td>
<td></td>
</tr>
</tbody>
</table>

Of which: net gains transferred from PVOCI revaluation reserves | 163 | 476 |

(a) Includes dividend income.

(b) Includes fair value impact of hedges for investment securities.

8. Other Income

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net gain on disposal of properties and other fixed assets</td>
<td>17</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Share of profits or losses of associates(b)</td>
<td>213</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Others(b)</td>
<td>29</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>259</td>
<td>90</td>
<td></td>
</tr>
</tbody>
</table>

(a) Includes a gain of $104 million recognised on completion of the Shenzen Rural Commercial Bank Cooperation Limited transaction (Note 25.2).

(b) Includes net gains and losses from sale of loans carried at amortised cost and rental income from operating leases.

9. Employee Benefits

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and bonuses(a)</td>
<td>3,251</td>
<td>2,890</td>
<td></td>
</tr>
<tr>
<td>Contributions to defined contribution plans</td>
<td>192</td>
<td>181</td>
<td></td>
</tr>
<tr>
<td>Share-based expenses</td>
<td>130</td>
<td>128</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>302</td>
<td>351</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,875</td>
<td>3,590</td>
<td></td>
</tr>
</tbody>
</table>

(a) Includes $25 million (2020: $372 million) of government grants recognised (deducted against salaries and bonuses).
## 10. Other Expenses

<table>
<thead>
<tr>
<th></th>
<th>The Group</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In $ millions</td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Computerisation expenses(^{a})</td>
<td>1,080</td>
<td>1,093</td>
<td></td>
</tr>
<tr>
<td>Occupancy expenses(^{b})</td>
<td>416</td>
<td>452</td>
<td></td>
</tr>
<tr>
<td>Revenue-related expenses</td>
<td>376</td>
<td>334</td>
<td></td>
</tr>
<tr>
<td>Others(^{c})</td>
<td>822</td>
<td>729</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,694</td>
<td>2,608</td>
<td></td>
</tr>
</tbody>
</table>

\(^{a}\) Includes hire, depreciation and maintenance costs of computer hardware and software

\(^{b}\) Includes depreciation of leased office and branch premises of $205 million (2020: $202 million) and amounts incurred in the maintenance of buildings

\(^{c}\) 2021 includes a $100 million Corporate Social Responsibility commitment to DBS Foundation and other charitable causes

## 11. Allowances for Credit and Other Losses

### Specific allowances\(^{a,b}\)

<table>
<thead>
<tr>
<th></th>
<th>The Group</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances to customers (Note 18)</td>
<td>471</td>
<td>1,174</td>
<td></td>
</tr>
<tr>
<td>Investment securities (amortised cost)</td>
<td>#</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Off-balance sheet credit exposures</td>
<td>8</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>20</td>
<td>140</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(447)</td>
<td>1,713</td>
<td></td>
</tr>
</tbody>
</table>

\(^{a}\) Includes Stage 3 ECL

\(^{b}\) Includes charge for non-credit exposures (2021: $1 million; 2020: $3 million)

\(^{c}\) Refers to Stage 1 and 2 ECL

### General allowances\(^{a}\)

<table>
<thead>
<tr>
<th></th>
<th>The Group</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>52</td>
<td>3,066</td>
<td></td>
</tr>
</tbody>
</table>

\(^{a}\) Amount under $500,000

### The table below shows the movements in specific and general allowances during the year for the Group.

<table>
<thead>
<tr>
<th></th>
<th>The Group</th>
<th>Balance at 1 January</th>
<th>Charge/ (Write-back) to income statement</th>
<th>Net write-off during the year</th>
<th>Amalgamation of LVR</th>
<th>Exchange and other movements</th>
<th>Balance at 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2021</strong></td>
<td>Specific allowances</td>
<td>Loans and advances to customers (Note 18)</td>
<td>2,692</td>
<td>471</td>
<td>(641)</td>
<td>#</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Investment securities</td>
<td>15</td>
<td>#</td>
<td>-</td>
<td>-</td>
<td>62</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td>Properties and other fixed assets</td>
<td>19</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Off-balance sheet credit exposures</td>
<td>96</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>(24)</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>219</td>
<td>20</td>
<td>(18)</td>
<td>-</td>
<td>6</td>
<td>227</td>
</tr>
<tr>
<td></td>
<td><strong>Total specific allowances</strong></td>
<td>3,041</td>
<td>499</td>
<td>(659)</td>
<td>-</td>
<td>68</td>
<td>2,949</td>
</tr>
<tr>
<td></td>
<td><strong>Total general allowances for credit losses</strong></td>
<td>4,312</td>
<td>(447)</td>
<td>-</td>
<td>-</td>
<td>11</td>
<td>3,876</td>
</tr>
<tr>
<td></td>
<td><strong>Total allowances</strong></td>
<td>7,353</td>
<td>52</td>
<td>(659)</td>
<td>-</td>
<td>79</td>
<td>6,825</td>
</tr>
</tbody>
</table>

### 2020

<table>
<thead>
<tr>
<th></th>
<th>The Group</th>
<th>Balance at 1 January</th>
<th>Charge/ (Write-back) to income statement</th>
<th>Net write-off during the year</th>
<th>Amalgamation of LVR</th>
<th>Exchange and other movements</th>
<th>Balance at 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Specific allowances</strong></td>
<td>Loans and advances to customers (Note 18)</td>
<td>2,305</td>
<td>1,174</td>
<td>(746)</td>
<td>-</td>
<td>(41)</td>
<td>2,692</td>
</tr>
<tr>
<td></td>
<td>Investment securities</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>#</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Properties and other fixed assets</td>
<td>19</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>#</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Off-balance sheet credit exposures</td>
<td>111</td>
<td>39</td>
<td>-</td>
<td>-</td>
<td>(54)</td>
<td>96</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>80</td>
<td>140</td>
<td>(96)</td>
<td>-</td>
<td>35</td>
<td>219</td>
</tr>
<tr>
<td></td>
<td><strong>Total specific allowances</strong></td>
<td>2,530</td>
<td>1,353</td>
<td>(782)</td>
<td>-</td>
<td>(60)</td>
<td>2,541</td>
</tr>
<tr>
<td></td>
<td><strong>Total general allowances for credit losses</strong></td>
<td>2,911</td>
<td>1,713</td>
<td>96</td>
<td>35</td>
<td>4,312</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total allowances</strong></td>
<td>5,041</td>
<td>3,066</td>
<td>(782)</td>
<td>96</td>
<td>(68)</td>
<td>2,353</td>
</tr>
</tbody>
</table>

\(^{a}\) Amount under $500,000

### Notes:

- \(^{a}\) Includes audit related assurance fees
- \(^{b}\) PricewaterhouseCoopers network firms
The following tables outline the changes in ECL under IFRS® 9 in 2021 and 2020 which are attributable to the following factors:

- Transfers between stages.
- Net portfolio changes, which are determined on an obligor basis i.e. originations with new obligors net of derecognitions of former obligors.
- Remeasurements, which include the impact of changes in model inputs or assumptions, partial repayments, additional drawdowns on existing facilities and changes in ECL following a transfer between stages.

### 2021

<table>
<thead>
<tr>
<th>Changes in allowances recognised in opening balance that were transferred/(to) them</th>
<th>Balance at 1 January</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Stage 1: 34 (191) 157</td>
<td>2,507 1,805 3,014 7,326</td>
</tr>
<tr>
<td>- Stage 2: 144 (144)</td>
<td>34</td>
</tr>
<tr>
<td>- Stage 3: (70) (87) 157</td>
<td>1,151 766 1,168 3,085</td>
</tr>
<tr>
<td>Net portfolio changes</td>
<td>58 (63) 25</td>
</tr>
<tr>
<td>Remeasurements</td>
<td>(403) 88 341 26</td>
</tr>
<tr>
<td>Net write-offs(^a)</td>
<td>- - (655) (655)</td>
</tr>
<tr>
<td>Exchange and other movements</td>
<td>5 6 69 80</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>2,231 1,645 2,926 6,802</td>
</tr>
<tr>
<td>Change in the income statement</td>
<td>(281) (166) 498 51</td>
</tr>
</tbody>
</table>

### 2020

<table>
<thead>
<tr>
<th>Changes in allowances recognised in opening balance that were transferred/(to) them</th>
<th>Balance at 1 January</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Stage 1: 106 (288) 182</td>
<td>1,090 1,421 2,502 5,013</td>
</tr>
<tr>
<td>- Stage 2: (38) 38</td>
<td>106</td>
</tr>
<tr>
<td>- Stage 3: (19) (163) 182</td>
<td>1,151 766 1,168 3,085</td>
</tr>
<tr>
<td>Net portfolio changes</td>
<td>58 (99) 20</td>
</tr>
<tr>
<td>Remeasurements</td>
<td>1,151 766 1,168 3,085</td>
</tr>
<tr>
<td>Net write-offs(^a)</td>
<td>- - (777) (777)</td>
</tr>
<tr>
<td>Amalgamation of LVB</td>
<td>96</td>
</tr>
<tr>
<td>Exchange and other movements</td>
<td>(4) (4) (61) (61)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>2,207 1,805 3,014 7,326</td>
</tr>
<tr>
<td>Change in the income statement</td>
<td>1,325 388 1,350 3,067</td>
</tr>
</tbody>
</table>

\(^a\) Write-offs net of recoveries

The following table provides additional information on the financial instruments that are subject to ECL as at 31 December 2021 and 2020. PrPL assets and P/OCI equity instruments are not subject to ECL and therefore not reflected in the tables.

### 2021

- Loans and advances to customers:
  - Retail: 122,964 724 651 124,339
  - Wholesale and others: 260,763 23,814 4,639 289,216
  - Investment securities:
    - Government securities and treasury bills\(^a\) 40,582 7 40,582
    - Bank and corporate debt securities\(^a\) 42,811 1,131 157 44,039
  - Others\(^a\): 105,406 55 229 105,090

- Liabilities:
  - ECL on guarantees and other off-balance sheet exposures: 130 134 80 344

### 2020

- Loans and advances to customers:
  - Retail: 112,274 773 676 113,723
  - Wholesale and others: 236,914 20,280 5,383 262,577
  - Investment securities:
    - Government securities and treasury bills\(^a\) 39,062 9 39,062
    - Bank and corporate debt securities\(^a\) 44,593 1,170 38 45,801
  - Others\(^a\): 105,810 120 226 106,156

- Liabilities:
  - ECL on guarantees and other off-balance sheet exposures: 140 174 96 410

### PD range (Basil 12-month PDs)\(^a\)

- Includes loss allowances of $25 million (2020: $25 million) for debt securities that are classified as P/OCI.
- Comprise of amounts in “Cash and balances with central banks”, “Due from Banks” and “Other assets” that are subject to ECL.
- Balances exclude off-balance sheet exposures.

The table below shows the portfolio mix of the Loans and advances to customers – Wholesale and others presented in the gross carrying value table above by internal counterparty risk rating (CRR) and probability of default (PD) range:
Deferred income tax relating to FVOCI financial assets and cash flow hedges of $82 million was credited (2020: $31 million debited) and own credit risk of $2 million was credited (2020: $2 million debited) directly to equity. Please refer to Note 21 for further information on deferred tax assets/liabilities.

13. Earnings Per Ordinary Share

<table>
<thead>
<tr>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of ordinary shares in issue (basic and diluted)</td>
<td>2,562,334</td>
<td>2,543,231</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit attributable to shareholders</td>
<td>6,805</td>
<td>4,721</td>
</tr>
<tr>
<td>Less Dividends on other equity instruments</td>
<td>(109)</td>
<td>(115)</td>
</tr>
<tr>
<td>Adjusted profit</td>
<td>6,696</td>
<td>4,606</td>
</tr>
</tbody>
</table>

Earnings per ordinary share ($)

<table>
<thead>
<tr>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic and diluted</td>
<td>2.61</td>
<td>1.81</td>
</tr>
</tbody>
</table>

(a) 2020 relates to impact from revaluation of net deferred tax asset due to a cut in Indonesia’s corporate tax rate.

Sensitivity of ECL

The Group assessed ECL sensitivity for the wholesale and retail portfolios to changes in the allocation of exposures between Stages 1 and 2. ECL is estimated to reduce by $1,187 million (2020: $1,300 million) should all the exposures in Stage 2 return to Stage 1 and were assigned a lower 12-month ECL instead of lifetime ECL. The impact also reflects the higher PDs ascribed to Stage 2 exposures in addition to the recognition of lifetime instead of 12-month ECL.

As ECL estimation relies on multiple variables, no single analysis can fully demonstrate the sensitivity of the ECL to changes in macroeconomic variables.

Relief measures offered to customers

In response to the impact of Covid-19, various forms of relief measures, such as payment deferrals, had been offered to eligible retail and corporate customers. Payment deferrals were considered to be non-substantial modifications and accounted for as a continuation of the existing loan agreements.

In line with regulatory guidelines, customers' utilisation of relief measures does not automatically result in significant increase in credit risk and a transfer to Stage 2. The assessment of customer’s risk of default continues to be performed comprehensively, taking into account the customer’s ability to make payments based on the rescheduled payments and their creditworthiness in the long term.

12. Income Tax Expense

<table>
<thead>
<tr>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax expense</td>
<td>1,009</td>
<td>730</td>
</tr>
<tr>
<td>– Current year</td>
<td>1,009</td>
<td>730</td>
</tr>
<tr>
<td>– Prior years' provision</td>
<td>(96)</td>
<td>3</td>
</tr>
<tr>
<td>Deferred tax expense</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>– Prior years' provision</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>– Origination/ (Reversal) of temporary differences</td>
<td>52</td>
<td>(126)</td>
</tr>
<tr>
<td>Total</td>
<td>973</td>
<td>612</td>
</tr>
</tbody>
</table>

The deferred tax expense/credit in the income statement comprises the following temporary differences:

<table>
<thead>
<tr>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelerated tax depreciation</td>
<td>19</td>
<td>4</td>
</tr>
<tr>
<td>Allowances for credit and other losses</td>
<td>66</td>
<td>(106)</td>
</tr>
<tr>
<td>Other temporary differences</td>
<td>(25)</td>
<td>(19)</td>
</tr>
<tr>
<td>Deferred tax expense/credit charged to income statement</td>
<td>60</td>
<td>(121)</td>
</tr>
</tbody>
</table>

The tax on the Group’s profit before tax differs from the theoretical amount computed using the Singapore basic tax rate due to:

<table>
<thead>
<tr>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>7,780</td>
<td>5,963</td>
</tr>
<tr>
<td>Prima facie tax calculated at a tax rate of 17% (2020: 17%)</td>
<td>1,322</td>
<td>913</td>
</tr>
<tr>
<td>Effect of different tax rates in other countries</td>
<td>48</td>
<td>19</td>
</tr>
<tr>
<td>Effect of change in country’s tax rateex</td>
<td>–</td>
<td>11</td>
</tr>
<tr>
<td>Net income not subject to tax</td>
<td>(43)</td>
<td>(111)</td>
</tr>
<tr>
<td>Net income taxed at concessional rate</td>
<td>(283)</td>
<td>(287)</td>
</tr>
<tr>
<td>Expenses not deductible for tax</td>
<td>26</td>
<td>13</td>
</tr>
<tr>
<td>Others</td>
<td>(87)</td>
<td>54</td>
</tr>
<tr>
<td>Income tax expense charged to income statement</td>
<td>973</td>
<td>612</td>
</tr>
</tbody>
</table>
14. Classification of Financial Instruments

In $ millions

<table>
<thead>
<tr>
<th>Financial Instruments</th>
<th>Mandatory at FVPL(a)</th>
<th>FVPL designated</th>
<th>Amortised cost</th>
<th>The Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents with banks</td>
<td>–</td>
<td>–</td>
<td>52,475</td>
<td>3,902</td>
</tr>
<tr>
<td>Government securities and treasury bills</td>
<td>12,594</td>
<td>97</td>
<td>22,653</td>
<td>17,925</td>
</tr>
<tr>
<td>Due from banks</td>
<td>15,025</td>
<td>–</td>
<td>34,684</td>
<td>1,207</td>
</tr>
<tr>
<td>Derivatives</td>
<td>18,821</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Bank and corporate securities</td>
<td>22,813</td>
<td>–</td>
<td>26,963</td>
<td>16,981</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>1,492</td>
<td>25</td>
<td>407,476</td>
<td>–</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>–</td>
<td>–</td>
<td>15,268</td>
<td>–</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>71,160</td>
<td>122</td>
<td>559,468</td>
<td>40,105</td>
</tr>
<tr>
<td>Total assets</td>
<td>11,423</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>686,075</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to banks</td>
<td>5,429</td>
<td>–</td>
<td>24,780</td>
<td>–</td>
</tr>
<tr>
<td>Deposits and balances from customers</td>
<td>–</td>
<td>229</td>
<td>501,730</td>
<td>–</td>
</tr>
<tr>
<td>Derivatives</td>
<td>19,079</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>2,695</td>
<td>–</td>
<td>14,927</td>
<td>–</td>
</tr>
<tr>
<td>Other debt securities</td>
<td>126</td>
<td>10,600</td>
<td>41,844</td>
<td>–</td>
</tr>
<tr>
<td>Subordinated term debt</td>
<td>–</td>
<td>–</td>
<td>4,636</td>
<td>–</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>27,299</td>
<td>10,829</td>
<td>587,917</td>
<td>–</td>
</tr>
<tr>
<td>Other liability items outside the scope of SFRS(I) (b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>628,359</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2021

| Financial assets                          |                      |                |               |           |
| Cash and cash balances with banks         | 699                 | –              | 46,482        | 3,437     | 50,618    |
| Government securities and treasury bills  | 12,596              | 45             | 21,689        | 17,370    | 51,700    |
| Due from banks                            | 11,332              | –              | 38,288        | 1,247     | 50,867    |
| Derivatives                               | 305,76              | –              | –             | 532       | 31,108    |
| Bank and corporate securities             | 17,948              | –              | 26,674        | 19,080    | 65,456    |
| Loans and advances to customers           | 1,120               | 350            | 369,701       | –         | 371,171   |
| Other financial assets                    | –                   | 18,871         | –             | 58,871    |
| Total financial assets                    | 73,671              | 395            | 521,755       | 41,194    | 563,957   |
| Other liability items outside the scope of SFRS(I) (b) |                |                |               |           |
| Total assets                              | 649,938             |                |               |           |

2020

| Financial assets                          |                      |                |               |           |
| Cash and cash balances with banks         | 1,823               | –              | 26,397        | –         | 28,220    |
| Deposits and balances from customers      | –                   | 623            | 464,227       | –         | 464,850   |
| Derivatives                               | 31,561              | –              | –             | 1,343     | 32,904    |
| Other financial liabilities               | 1,525               | –              | 19,699        | –         | 21,224    |
| Other debt securities                     | 203                 | 8,130          | 34,944        | –         | 43,277    |
| Subordinated term debt                    | –                   | –              | 2,070         | –         | 2,070     |
| Total financial liabilities               | 35,112              | 8,753          | 549,237       | 1,343     | 598,485   |
| Other liability items outside the scope of SFRS(I) (b) |                |                |               |           |
| Total liabilities                         | 595,295             |                |               |           |

(a) Includes associates and joint ventures, goodwill and intangibles, properties and other fixed assets, and deferred tax assets.
(b) Includes assets and liabilities that are held for trading and debt-type financial assets that are not SFRS in nature.

Financial assets and liabilities are presented net when there is a legally enforceable right to offset the recognised amounts, and there is intention to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities offset on the balance sheet

As at 31 December 2021, "Loans and advances to customers" of $18 million (2020: $24 million) were set off against "Deposits and balances from customers" of $18 million (2020: $24 million) because conversely the Group has a legally enforceable right to set off these amounts, and intends to settle the loans and the deposits simultaneously at maturity or termination dates.

Financial assets and liabilities subject to netting agreements but not offset on the balance sheet

The Group enters into master netting arrangements with counterparties where it is appropriate and feasible to do so to mitigate counterparty risk. The credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are settled on a net basis. Master netting arrangements do not result in an offset of financial assets and liabilities on the balance sheet, as the legal right to offset the transactions is conditional upon default.

These agreements include derivative master agreements (including the International Swaps and Derivatives Association (ISDA) Master Agreement), global master repurchase agreements and global securities lending agreements. The collateral received and pledged under these agreements are generally conducted under terms that are in accordance with normal market practice. The agreements may allow rehypothecation of collateral received and there may be ongoing margin requirements to mitigate counterparty risk.

The disclosures set out in the tables below pertain to financial assets and liabilities that are not offset in the Group’s balance sheet but are subject to master netting arrangements or similar agreements that cover similar financial instruments. The disclosures enable the understanding of both the gross and net amounts, as well as provide additional information on how such credit risk is mitigated.

Financial assets

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>Carrying amounts on balance sheet</th>
<th>Net amounts</th>
<th>Financial instruments</th>
<th>Financial collateral received/ pledged</th>
<th>Related amounts not offset on balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>19,681</td>
<td>4,656</td>
<td>15,025</td>
<td>12,932</td>
<td>1,035</td>
</tr>
<tr>
<td>Reverse repurchase agreements</td>
<td>29,466</td>
<td></td>
<td>29,466</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities borrowings</td>
<td>64</td>
<td>–</td>
<td>64</td>
<td></td>
<td>61</td>
</tr>
<tr>
<td>Total</td>
<td>49,211</td>
<td>4,656</td>
<td>44,555</td>
<td>12,932</td>
<td>30,540</td>
</tr>
</tbody>
</table>

Financial liabilities

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th>Carrying amounts on balance sheet</th>
<th>Net amounts</th>
<th>Financial instruments</th>
<th>Financial collateral received/ pledged</th>
<th>Related amounts not offset on balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>20,318</td>
<td>5,601</td>
<td>14,717</td>
<td>12,932</td>
<td>1,038</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>5,666</td>
<td>187</td>
<td>5,666</td>
<td></td>
<td>5,665</td>
</tr>
<tr>
<td>Securities lendings</td>
<td>41</td>
<td>–</td>
<td>41</td>
<td></td>
<td>41</td>
</tr>
<tr>
<td>Total</td>
<td>28,720</td>
<td>7,777</td>
<td>20,943</td>
<td>12,932</td>
<td>7,263</td>
</tr>
</tbody>
</table>
### 15. Cash and Balances with Central Banks

<table>
<thead>
<tr>
<th>In 5 millions</th>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>2,140</td>
<td>2,411</td>
<td></td>
</tr>
<tr>
<td>Non-restricted balances with central banks</td>
<td>44,550</td>
<td>39,791</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>46,690</td>
<td>42,207</td>
<td></td>
</tr>
<tr>
<td>Restricted balances with central banks</td>
<td>9,687</td>
<td>8,416</td>
<td></td>
</tr>
<tr>
<td>Total**</td>
<td>56,377</td>
<td>50,618</td>
<td></td>
</tr>
</tbody>
</table>

(a) Mandatory balances with central banks
(b) Includes financial assets (certificates of deposit) pledged or transferred of $563 million (2020: $542 million) (See Note 19)
(c) Balances are net of ECL

### 16. Government Securities and Treasury Bills

<table>
<thead>
<tr>
<th>In 5 millions</th>
<th>Mandatorily at FVPL</th>
<th>FVPL designated</th>
<th>The Group at FVOCI</th>
<th>Amortised cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore Government securities and treasury bills (Gross)**</td>
<td>4,609</td>
<td>-</td>
<td>1,025</td>
<td>5,730</td>
<td>11,364</td>
</tr>
<tr>
<td>Other government securities and treasury bills (Gross)**</td>
<td>7,978</td>
<td>97</td>
<td>16,900</td>
<td>16,927</td>
<td>41,902</td>
</tr>
<tr>
<td>Less: ECL**</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>12,587</td>
<td>97</td>
<td>17,925</td>
<td>22,653</td>
<td>53,262</td>
</tr>
</tbody>
</table>

| 2020          |                      |                 |                    |                |       |
| Singapore Government securities and treasury bills (Gross)** | 5,070 | - | 1,646 | 6,716 | 13,608 |
| Other government securities and treasury bills (Gross)** | 7,526 | 45 | 15,724 | 14,800 | 38,095 |
| Less: ECL** | - | - | - | - | 3 |
| Total | 12,596 | 45 | 17,370 | 21,689 | 51,109 |

(a) Includes financial assets pledged or transferred of $2,052 million (2020: $1,302 million) (See Note 19)
(b) Includes financial assets pledged or transferred of $4,327 million (2020: $6,424 million) (See Note 19)
(c) ECL for FVOCI securities amounting to $3 million (2020: $6 million) are not shown in the table, as these securities are recorded at fair value

### 17. Bank and Corporate Securities

<table>
<thead>
<tr>
<th>In 5 millions</th>
<th>Mandatorily at FVPL</th>
<th>The Group</th>
<th>Amortised cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank and corporate debt securities (Gross)**</td>
<td>9,844</td>
<td>16,981</td>
<td>27,058</td>
<td>53,883</td>
</tr>
<tr>
<td>Less: ECL**</td>
<td>-</td>
<td>-</td>
<td>95</td>
<td>95</td>
</tr>
<tr>
<td>Bank and corporate debt securities</td>
<td>9,844</td>
<td>16,981</td>
<td>26,963</td>
<td>53,788</td>
</tr>
<tr>
<td>Equity securities**</td>
<td>12,969</td>
<td>2,935</td>
<td>-</td>
<td>15,904</td>
</tr>
<tr>
<td>Total</td>
<td>22,813</td>
<td>19,916</td>
<td>26,963</td>
<td>69,692</td>
</tr>
</tbody>
</table>

| 2020          |                      |           |                |       |
| Bank and corporate debt securities (Gross)** | 8,355 | 19,080 | 26,721 | 54,156 |
| Less: ECL** | - | - | 47 | 47 |
| Bank and corporate debt securities | 8,355 | 19,080 | 26,674 | 54,109 |
| Equity securities** | 8,993 | 2,354 | - | 11,347 |
| Total | 17,348 | 21,434 | 26,674 | 65,456 |

(a) Includes financial assets pledged or transferred of $1,407 million (2020: $3,205 million) (See Note 19)
(b) Includes financial assets pledged or transferred of $42 million (2020: Nil) (See Note 19)
(c) ECL for FVOCI securities amounting to $22 million (2020: $19 million) are not shown in the table, as these securities are recorded at fair value

### 18. Loans and Advances to Customers

<table>
<thead>
<tr>
<th>In 5 millions</th>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross</td>
<td>415,072</td>
<td>377,770</td>
<td></td>
</tr>
<tr>
<td>Less: Specific allowances**</td>
<td>2,545</td>
<td>2,662</td>
<td></td>
</tr>
<tr>
<td>General allowances**</td>
<td>3,534</td>
<td>3,907</td>
<td></td>
</tr>
<tr>
<td>Net total</td>
<td>408,993</td>
<td>377,171</td>
<td></td>
</tr>
</tbody>
</table>

Analysed by product

- Long-term loans: 188,483
- Short-term facilities: 105,593
- Housing loans: 78,516
- Trade loans: 42,480

Total: 415,072

Analysed by currency

- Singapore dollar: 159,305
- Hong Kong dollar: 49,685
- US dollar: 49,685
- Chinese yuan: 49,685
- Others: 65,188

Total: 415,072

(a) Balances refer to ECL under SRS(E) 9 (Specific allowances: Stage 3 ECL; General allowances: Stage 1 and Stage 2 ECL)

Please refer to Note 42.4 for a breakdown of loans and advances to customers by geography and by industry.
The table below shows the movements in specific and general allowances for loans and advances to customers during the year.

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Balance at 1 January</th>
<th>Charge/ (Write-back) to income statement</th>
<th>The Group Net write-off during the year</th>
<th>Amalgamation of LVB</th>
<th>Exchange and other movements</th>
<th>Balance at 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2021</strong> Specific allowances</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>269</td>
<td>173 (97)</td>
<td>–</td>
<td>27</td>
<td>372</td>
<td></td>
</tr>
<tr>
<td>Building and construction</td>
<td>138</td>
<td>35 (25)</td>
<td>–</td>
<td>1</td>
<td>149</td>
<td></td>
</tr>
<tr>
<td>Housing loans</td>
<td>11</td>
<td>5 (1)</td>
<td>–</td>
<td>0</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>General commerce</td>
<td>564</td>
<td>184 (97)</td>
<td>–</td>
<td>11</td>
<td>662</td>
<td></td>
</tr>
<tr>
<td>Transportation, storage and communications</td>
<td>1,369</td>
<td>(102) (273)</td>
<td>–</td>
<td>(23)</td>
<td>971</td>
<td></td>
</tr>
<tr>
<td>Financial institutions, investment and holding companies</td>
<td>23</td>
<td>27</td>
<td>–</td>
<td>0</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Professionals and private individuals (excluding housing loans)</td>
<td>151</td>
<td>108 (143)</td>
<td>–</td>
<td>5</td>
<td>121</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>167</td>
<td>41 (5)</td>
<td>–</td>
<td>2</td>
<td>205</td>
<td></td>
</tr>
<tr>
<td>Total specific allowances</td>
<td>2,692</td>
<td>471 (641)</td>
<td>–</td>
<td>23</td>
<td>2,545</td>
<td></td>
</tr>
<tr>
<td>Total general allowances</td>
<td>3,907</td>
<td>(381)</td>
<td>–</td>
<td>9</td>
<td>3,536</td>
<td></td>
</tr>
<tr>
<td>Total allowances</td>
<td>6,599</td>
<td>89 (641)</td>
<td>–</td>
<td>32</td>
<td>6,079</td>
<td></td>
</tr>
</tbody>
</table>

**2020** Specific allowances

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Balance at 1 January</th>
<th>Charge/ (Write-back) to income statement</th>
<th>The Group Net write-off during the year</th>
<th>Amalgamation of LVB</th>
<th>Exchange and other movements</th>
<th>Balance at 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>296</td>
<td>227 (248)</td>
<td>–</td>
<td>(6)</td>
<td>269</td>
<td></td>
</tr>
<tr>
<td>Building and construction</td>
<td>140</td>
<td>17 (17)</td>
<td>–</td>
<td>(2)</td>
<td>138</td>
<td></td>
</tr>
<tr>
<td>Housing loans</td>
<td>11</td>
<td>8 (8)</td>
<td>–</td>
<td>0</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>General commerce</td>
<td>313</td>
<td>322 (54)</td>
<td>–</td>
<td>(17)</td>
<td>564</td>
<td></td>
</tr>
<tr>
<td>Transportation, storage and communications</td>
<td>1,346</td>
<td>181 (139)</td>
<td>–</td>
<td>(19)</td>
<td>1,169</td>
<td></td>
</tr>
<tr>
<td>Financial institutions, investment and holding companies</td>
<td>19</td>
<td>4</td>
<td>–</td>
<td>0</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Professionals and private individuals (excluding housing loans)</td>
<td>138</td>
<td>284 (274)</td>
<td>–</td>
<td>3</td>
<td>151</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>42</td>
<td>131 (6)</td>
<td>–</td>
<td>0</td>
<td>167</td>
<td></td>
</tr>
<tr>
<td>Total specific allowances</td>
<td>2,238</td>
<td>1,174 (846)</td>
<td>–</td>
<td>(41)</td>
<td>2,692</td>
<td></td>
</tr>
<tr>
<td>Total general allowances</td>
<td>2,238</td>
<td>1,581</td>
<td>95</td>
<td>7</td>
<td>3,097</td>
<td></td>
</tr>
<tr>
<td>Total allowances</td>
<td>4,476</td>
<td>2,755 (846)</td>
<td>95</td>
<td>(48)</td>
<td>6,079</td>
<td></td>
</tr>
</tbody>
</table>

# Amount under $500,000

Included in loans and advances to customers are loans designated at fair value, as follows:

### The Group

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fair value designated loans and advances and related credit derivatives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum credit exposure</td>
<td>25</td>
<td>350</td>
</tr>
<tr>
<td>Credit derivatives – protection bought</td>
<td>(25)</td>
<td>(350)</td>
</tr>
<tr>
<td>Cumulative change in fair value arising from changes in credit risk</td>
<td>(1)</td>
<td>(8)</td>
</tr>
<tr>
<td>Cumulative change in fair value of related credit derivatives</td>
<td>1</td>
<td>8</td>
</tr>
</tbody>
</table>

Changes in fair value arising from changes in credit risk are determined as the amount of change in fair value that is not attributable to changes in market conditions that give rise to market risk. These changes in market conditions include changes in a benchmark interest rate, foreign exchange rate or index of price or rates.

During the year, the amount of change in the fair value of the loans and advances attributable to credit risk was a gain of $7 million (2020: gain of $16 million). During the year, the amount of change in the fair value of the related credit derivatives was a loss of $7 million (2020: loss of $16 million).

### 19. Financial Assets Pledged or Transferred

The Group pledges or transfers financial assets to third parties in the ordinary course of business. Transferred assets continue to be recognised in the Group’s financial statements when the Group retains substantially all their risks and rewards. Among these, as set out below, are securities pledged or transferred pursuant to repurchase or securities lending or collateral swap agreements and for derivative transactions under credit support agreements. Derecognised assets that were subject to the Group’s partial continuing involvement were not material in 2021 and 2020.

#### Securities and Certificates of deposit

Securities transferred under repurchase, securities lending and collateral swap arrangements are generally conducted under terms in line with normal market practice. The counterparty is typically allowed to sell or re-pledge the securities but has an obligation to return them at maturity. If the securities decrease in value, the Group may, in certain circumstances, be required to place additional collateral.

For repurchase agreements, the securities pledged or transferred continue to be recorded on the balance sheet while cash received in exchange is recorded as a financial liability. The Group also pledges assets to secure its short position in securities and to facilitate settlement operations. The fair value of the associated liabilities approximates their carrying amount of $4,488 million (2020: $5,184 million), which are recorded under “Due to banks”, “Deposits and balances from customers” and “Other liabilities” on the balance sheet.

For securities lending and collateral swap transactions, the securities lent continue to be recorded on the balance sheet. As the Group mainly receives other financial assets in exchange, the associated liabilities are not recorded on the balance sheet.

In addition, the Group also pledges securities for derivative transactions under credit support agreements. These assets continue to be recorded on the balance sheet. As the related derivative assets and liabilities are managed on a portfolio basis, there is no direct relationship between the securities pledged and the associated liabilities. As such, the associated liabilities are not disclosed.

#### Covered bonds

Pursuant to the Bank’s Global Covered Bond Programme, selected pools of residential mortgages originated by the Bank have been assigned to a bankruptcy-remote structured entity, Bayfront Covered Bonds Pte Ltd (see Notes 22.2 and 30.4). These residential mortgages continue to be recognised on the balance sheet as the Bank remains exposed to the risks and rewards associated with them.

As at 31 December 2021, the carrying value of the covered bonds in issue was $5,689 million (2020: $4,545 million). Pursuant to the Bank’s Global Covered Bond Programme, selected pools of residential mortgages originated by the Bank have been assigned to a bankruptcy-remote structured entity, Bayfront Covered Bonds Pte Ltd (see Notes 22.2 and 30.4). These residential mortgages continue to be recognised on the balance sheet as the Bank remains exposed to the risks and rewards associated with them. The difference in values is attributable to an intended over-collateralisation required to maintain the credit ratings of the covered bonds in issue, and additional assets assigned to facilitate future issuances.

#### Other financial assets

The Group also enters into structured funding transactions where it retains the contractual rights to receive cash flows of financial assets extended to third parties but assumes a contractual obligation to pay these cash flows under the issued notes. The carrying amounts and fair values of these financial assets and liabilities both amounted to $25 million (2020: $350 million).
20. Other Assets

The Group

In $ millions

2021 2020

Accrued interest receivable 1,274 1,310
Deposits and prepayments 584 643
receivables from securities business 480 662
Sundry debtors and others 9,748 10,645
Cash collateral pledged(a) 3,182 5,671
Deferred tax assets (Note 21) 627 624
Total(a) 15,895 19,489

(a) Mainly relates to cash collateral pledged in respect of derivative portfolios

21. Deferred Tax Assets/ Liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and

when the deferred income taxes relate to the same tax authority. The deferred tax assets and liabilities are determined after appropriate offsetting,

as shown in “Other assets” (Note 20) and “Other liabilities” (Note 29) respectively.

Deferred tax assets and liabilities comprise the following temporary differences:

The Group

In $ millions

2021 2020

Deferred income tax assets

Allowances for credit and other losses 449 484
FVOCI financial assets and cash flow hedges 26 12
Own credit risk 3 1
Other temporary differences 382 321
Sub-total 880 818
Amounts offset against deferred tax liabilities (233) (194)
Total 647 624

Deferred income tax liabilities

Allowances for credit and other losses 62 35
Accelerated tax depreciation 158 138
FVOCI financial assets and cash flow hedges 13 81
Other temporary differences 81 50
Sub-total 314 359
Amounts offset against deferred tax assets (233) (194)
Total 81 115

Net deferred tax assets 546 514

22. Subsidiaries and Consolidated Structured Entities

The Group

In $ millions

2021 2020

Investment in subsidiaries(a)

Ordinary shares 17,682 17,682
Additional Tier 1 instruments 3,025 4,812
Other equity instruments 346 346
Total 21,051 22,838

Due from subsidiaries

Subordinated term debts 6,398 5,411
Other debt securities 735 763
Other receivables 3,160 1,825
Total 10,293 9,999

Total 31,344 32,837

(a) The carrying amounts of certain investments which are designated as hedge items in a fair value hedge are adjusted for fair value changes attributable to the hedged risks

22.1 Main operating subsidiaries

The main operating subsidiaries within the Group are listed below:

Name of subsidiary Incorporated in 2021 2020

Commercial Banking

DBS Bank Ltd Singapore 100 100
DBS Bank (Hong Kong) Limited* Hong Kong 100 100
DBS Bank (China) Limited* China 100 100
DBS Bank (Taiwan) Limited* Taiwan 100 100
PT Bank DBS Indonesia* Indonesia 99 99
DBS Bank India Limited* India 100 100

Other Financial Services

DBS Vickers Securities Holdings Pte Ltd Singapore 100 100
DBS Digital Exchange Pte. Ltd(b) Singapore 90 100
DBS Securities (China) Co. Ltd* China 51 –

* Audited by PricewaterhouseCoopers network firms outside Singapore

(b) Subsidiary held by DBS Innovation Pte. Ltd., an investment holding company under DBS Bank Ltd.

The Group’s main subsidiaries are regulated banks and non-bank financial institutions. Statutory, contractual or regulatory requirements as well as

protective rights of non-controlling interests may restrict the ability of the Company to access and transfer assets freely or from other entities within

the Group and to settle liabilities of the Group. Since the Group did not have any material non-controlling interests as at the balance sheet dates, any

protective rights associated with these did not give rise to significant restrictions in 2020 and 2021.

22.2 Consolidated structured entity

The structured entity consolidated by the Group is listed below.

Name of entity Purpose of consolidated structured entity Incorporated in

Bayfront Covered Bonds Pte Ltd Covered Bond guarantor Singapore

Bayfront Covered Bonds Pte. Ltd is a bankruptcy-remote structured entity established in conjunction with the Bank’s USD 10 billion Global Covered

Bond Programme (see Note 30.4). As part of the contractual structures that are integral to this programme, the Bank provides funding and hedging

facilities to it.
23. Associates and Joint Ventures

The Group’s share of income and expenses, assets and liabilities and off-balance sheet items of the associates and joint ventures at 31 December are as follows:

### 23.1 Main associates

<table>
<thead>
<tr>
<th>Name of associate</th>
<th>Incorporated in</th>
<th>Effective shareholding %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Boulevard Development Pte Ltd**</td>
<td>Singapore</td>
<td>33.3</td>
</tr>
<tr>
<td>Shenzhen Rural Commercial Bank Corporation Limited*</td>
<td>China</td>
<td>13.0</td>
</tr>
</tbody>
</table>

** Audited by PricewaterhouseCoopers network firms outside Singapore

* Audited by other auditors

** The Group is able to exercise significant influence over the financial and operating policy decisions through board representation

As of 31 December 2021 and 31 December 2020, no associate and joint venture was individually material to the Group. As a non-controlling shareholder, the Group’s ability to receive dividends is subject to agreement with other shareholders. The associates and joint ventures may also be subject to statutory, contractual or regulatory requirements restricting dividend payments or to repay loans or advances made.

The Group's share of commitments and contingent liabilities of the associates and joint ventures as well as its commitments to finance or otherwise provide resources to them are not material.

24. Unconsolidated Structured Entities

“Unconsolidated structured entities” are structured entities, as defined by SFRS(I) 12, that are not controlled by the Group. In the normal course of business, the Group enters into transactions with these structured entities to facilitate customer transactions and for specific investment opportunities.

While the economic exposures may be the same as those to other type of entities, SFRS(I) 12 specifically requires companies to disclose such exposures arising from transactions with unconsolidated structured entities. The table below reflects exposures to third party securitisation structures where the Group holds an interest in the normal course of business.

As is the case with other types of counterparties, the carrying amount from transactions with unconsolidated structured entities have been included in the Group’s financial statements.

The risks arising from such transactions are subject to the Group’s risk management practices.

The table below represents the Group's maximum exposure to loss which for on-balance sheet assets and liabilities is represented by the carrying amount, and does not reflect mitigating effects from the availability of netting arrangements and financial instruments that the Group may utilise to economically hedge the risks inherent in third party structured entities, or risk-reducing effects of collateral or other credit enhancements.

### 24.1 Off-balance sheet

<table>
<thead>
<tr>
<th>Derivatives</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>4,370</td>
<td>4,092</td>
</tr>
<tr>
<td>Commitments</td>
<td>549</td>
<td>306</td>
</tr>
</tbody>
</table>

SFRS(I) 12 also requires additional disclosures where the Group acts as a sponsor to unconsolidated structured entities. The Group is deemed a sponsor of a structured entity if it plays a key role in establishing the entity, and has an on-going involvement with the structured entity or if the Group's name appears in the structured entity’s name.

There are certain investment funds where the Group is the fund manager and the investors have no or limited removal rights over the fund manager. These funds are primarily subscribed by the investors. As of 31 December 2021, the Group did not hold any investment in these investment funds.

The table below summarises the Group’s involvement in the funds.

<table>
<thead>
<tr>
<th>Derivatives</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liabilities</td>
<td>108</td>
<td>10</td>
</tr>
</tbody>
</table>

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25. Acquisitions

25.1 Lakshmi Vilas Bank (LVB)
LVB has been amalgamated with DBS Bank India Limited (DBIL) with effect from 27 November 2020. The scheme of amalgamation is under the special powers of the Government of India and Reserve Bank of India under Section 45 of the Banking Regulation Act, 1949, India. The amalgamation provides stability to LVB’s depositors, customers and employees following a period of uncertainty. It complements the Group’s digibank strategy with an expanded network of 600 branches and 1,000 ATMs, an additional two million retail and 125,000 non-retail customers, as well as a strengthened deposit franchise.

The provisional goodwill from amalgamation of LVB was finalised at $190 million (2020: $153 million) in November 2021, being the difference between the fair value of its assets and liabilities of $3.89 billion (2020: $3.89 billion) and $4.08 billion (2020: $4.04 billion) respectively. The $37 million increase reflects the increase in fair values of pension and gratuity liabilities as of the acquisition date based on the updated actuary report. As at 26 November 2020, total loans transferred amounted to $2.12 billion, including net non-performing loans of $212 million and total deposits transferred amounted to $3.60 billion.

25.2 Shenzhen Rural Commercial Bank Corporation Limited
The Group announced on 20 April 2021 that it had entered into an agreement and have obtained approvals from Monetary Authority of Singapore and China Banking and Insurance Regulatory Commission, Shenzhen Office to subscribe for a 13% stake in Shenzhen Rural Commercial Bank Corporation Limited (“SZRCB”) for CNY5.3 billion ($1.1 billion) (“the Investment”). The purchase consideration was adjusted to CNY5.2 billion ($1.1 billion) following the dividend distribution of CNY10 cents per share by SZRCB in May 2021.

The Investment is classified as an associate and applies the equity method of accounting. The Group is able to exercise significant influence over the management and operating policy decisions through board representation.

The transaction was completed in October 2021 and a gain of $104 million was recognised, being the excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of investment. The gain is included in share of profits or losses of associates during the year.

The Investment is in line with the Group’s strategy of investing in its core markets and accelerates its expansion in the rapidly growing Greater Bay Area. The Investment is in line with the Group’s strategy of investing in its core markets and accelerates its expansion in the rapidly growing Greater Bay Area.

26. Properties and Other Fixed Assets

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td>Owned properties and other fixed assets</td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td>40</td>
</tr>
<tr>
<td>Owner-occupied properties</td>
<td>423</td>
</tr>
<tr>
<td>Software(a)</td>
<td>1,042</td>
</tr>
<tr>
<td>Other fixed assets</td>
<td>380</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,885</strong></td>
</tr>
</tbody>
</table>

\(\text{a) During the year, the additions to software were $399 million (2020: $277 million), disposals/write-offs were $27 million (2020: $64 million) and depreciation expenses were $261 million (2020: $238 million).}\)

27. Goodwill and Intangibles

The carrying amounts of the Group’s goodwill and intangibles arising from business acquisitions are as follows:

<table>
<thead>
<tr>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBS Bank (Hong Kong) Limited</td>
<td>4,631</td>
<td>4,631</td>
</tr>
<tr>
<td>Others(a)</td>
<td>731</td>
<td>692</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,362</strong></td>
<td><strong>5,323</strong></td>
</tr>
</tbody>
</table>

\(\text{a) 2021 includes goodwill relating to LVB of $192 million (2020: $152 million) following the amalgamation with DBS Bank India Limited}\)

The carrying amounts of the CGUs are reviewed at least once a year to determine if the goodwill associated with them should be impaired. If a CGU’s carrying amount exceeds its recoverable value, a goodwill impairment charge is recognised in the income statement.

The recoverable value is determined based on a value-in-use calculation. The CGUs five-year projected free cash flows, after taking into account the maintenance of capital adequacy requirements at target levels, are discounted by its cost of capital to derive its present value. To derive the value beyond the fifth year, a long-term growth rate is imputed to the fifth-year cash flow and then discounted by the cost of capital to derive the terminal value. The long-term growth rate used does not exceed the historical long-term growth rate of the market the CGU operates in. The recoverable value is the sum of the present value of the five-year cash flows and the terminal value.

A growth rate of 3.5% (2020: 3.5%) and discount rate of 9.0% (2020: 9.0%) were assumed in the value-in-use calculation for DBS Bank (Hong Kong) Limited’s franchise.

The process of evaluating goodwill impairment involves management judgement and prudent estimates of various factors including future cash flows as well as the cost of capital and long-term growth rates. The results can be highly sensitive to the assumptions used. Key assumptions used to determine the recoverable amounts of the CGU, including growth rate and discount rate, are tested for sensitivity by applying a reasonably possible change to those assumptions. The reasonably possible changes in key assumptions did not result in an impairment of goodwill at 31 December 2021.
28. Deposits and Balances from Customers

In $ millions

The Group
2021 2020
Analysed by currency
Singapore dollar 219,838 204,469
US dollar 174,338 152,799
Hong Kong dollar 31,067 38,924
Chinese yuan 20,995 16,182
Others 55,721 52,476
Total 501,259 484,859

Analysed by product
Savings accounts 221,908 195,802
Current accounts 159,453 142,029
Fixed deposits 113,731 123,583
Other deposits 6,867 3,436
Total 501,259 484,859

29. Other Liabilities

In $ millions

The Group
2021 2020
Cash collateral received\(\text{a}\) 1,951 2,976
Accrued interest payable 286 396
Provision for loss in respect of off-balance sheet credit exposures 344 410
Payable in respect of securities business 365 487
Sundry creditors and other\(\text{b}\) 10,459 13,726
Lease liabilities\(\text{c}\) 1,522 1,704
Current tax liabilities 964 740
Short-term obligations 2,695 1,525
Deferred tax liabilities (Note 21) 81 110
Total 18,667 22,074

30. Other Debt Securities

In $ millions

The Group The Company
2021 2020 2021 2020
Negotiable certificates of deposit
30.1 4,865 3,738 – –
Senior medium term notes 30.2 6,440 5,536 5,400 3,400
Commercial papers 30.3 24,865 21,345 270 594
Covered bonds 30.4 5,689 4,545 – –
Other debt securities 30.5 10,611 8,143 – –
Total 52,570 43,227 5,670 4,046

Issued by the Bank and other subsidiaries

30.1 Negotiable certificates of deposit issued and outstanding are as follows:

In $ millions

The Group
2021 2020
Currency Interest Rate and Interest Frequency

Issued by the Bank and other subsidiaries

AUD 0.03% to 0.33%, payable on maturity 3,119 3,209
CNY 2.42% to 2.84%, payable on maturity 1,648 79
HKD 3.80% to 3.83%, payable annually 37 –
INR Zero-coupon, payable on maturity 341 72
USD 0.42%, payable on maturity 96 –
Total 4,965 3,738


30.2 Senior medium term notes issued and outstanding as at 31 December are as follows:

In $ millions

The Group The Company
2021 2020 2021 2020
Currency Interest Rate and Interest Frequency

Issued by the Bank

AUD 0.83%, payable semi-annually 292 305 294 305
AUD Floating rate note, payable quarterly 441 458 441 458
HKD 2.78% to 2.8%, payable annually 156 157 156 157
HKD 1.074%, payable semi-annually 243 – 243 –
SGD 2.78%, payable semi-annually 481 – 481 –
USD 1.169% to 3.022%, payable semi-annually 3,184 3,161 3,185 3,161
USD Floating rate note, payable quarterly 1,081 892 1,081 892
Total 6,540 5,306 5,400 4,454

Issued by the Bank and other subsidiaries

The outstanding senior medium term notes as at 31 December 2021 were issued between 13 January 2017 and 22 November 2021 (2020: 11 January 2016 and 17 July 2020) and mature between 13 January 2022 and 15 March 2027 (2020: 11 January 2021 and 24 January 2024).

30.3 The commercial papers were issued by the Bank under its USD 5 billion Euro Commercial Paper Programme and USD 20 billion US Commercial Paper Programme and by the Company under its USD 5 billion US Commercial Paper Programme. These are mainly zero-coupon papers.

30.4 The covered bonds were issued by the Bank under its USD 10 billion Global Covered Bond Programme. A covered bond is a senior obligation of the Bank backed by a cover pool comprising assets that have been ring-fenced via contractual structures in a bankruptcy-remote structured entity. Bayfront Covered Bonds Pte Ltd, a structured entity, Bayfront Covered Bonds Pte Ltd provides an unconditional and irrevocable guarantee, which is secured by the cover pool, to the covered bond holders. Please refer to Note 19 for further details on the covered bonds.

The outstanding covered bonds as at 31 December 2021 were issued between 6 July 2021 and 31 December 2021 (2020: 11 June 2020 and 22 December 2020) and mature between 5 January 2022 and 9 September 2022 (2020: 4 January 2021 and 7 September 2021).

30.5 Other debt securities issued and outstanding as at 31 December are as follows:

<table>
<thead>
<tr>
<th>In millions</th>
<th>The Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Issued by the Bank and other subsidiaries</td>
<td></td>
</tr>
<tr>
<td>Equity linked notes</td>
<td>4,929</td>
</tr>
<tr>
<td>Credit linked notes</td>
<td>2,826</td>
</tr>
<tr>
<td>Interest linked notes</td>
<td>2,809</td>
</tr>
<tr>
<td>Foreign exchange linked notes</td>
<td>38</td>
</tr>
<tr>
<td>Fixed rate bonds</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>10,611</td>
</tr>
</tbody>
</table>

31. Subordinated Term Debts

The following subordinated term debts issued by the Company are classified as liabilities. These term debt instruments have a junior or lower priority claim on the issuing entity's assets in the event of a default or liquidation.

Subordinated Term Debts issued by the Company include provisions for them to be written off if and when the Monetary Authority of Singapore notifies the Company that a write-off of the instruments, or a public sector injection of capital (or equivalent support), is necessary, without which the Company or the Group would become non-viable. These instruments qualify as Tier 2 capital under the Monetary Authority of Singapore Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore (MAS Notice 637), on the basis that the Company is subject to the application of MAS Notice 637.

31.1 Interest on the notes is payable at 3.80% per annum up to 20 January 2023. Thereafter, the interest rate resets to the then-prevailing five-year Hong Kong Dollar Swap Rate plus 1.19% per annum. Interest is paid quarterly on 19 January, 19 April, 19 July and 19 October each year. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments. The notes were fully redeemed on 19 April 2021.

31.2 Interest on the notes is payable semi-annually at 0.918% per annum on 8 March and 8 September each year. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments.

31.3 Interest on the notes is payable at 3.24% per annum up to 19 April 2021. Thereafter, the interest rate resets to the then-prevailing five-year Hong Kong Dollar Swap Rate plus 1.90% per annum. Interest is paid quarterly on 19 January, 19 April, 19 July and 19 October each year. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments. The notes were fully redeemed on 19 April 2021.

31.4 Interest on the notes is payable quarterly at 3-month Bank Bill Swap Rate (BBISW) plus 1.58% per annum on 16 March, 16 June, 16 September and 16 December each year. The notes are redeemable on 16 March 2023 or on any interest payment date thereafter.

31.5 Interest on the notes is payable at 1.50% per annum up to 11 April 2023. Thereafter, the interest rate resets to the then-prevailing five-year Euro Mid-Swap Rate plus 1.20% per annum. Interest is paid annually on 11 April each year. The notes are redeemable on 11 April 2023 or on any interest payment date thereafter.

31.6 Interest on the notes is payable semi-annually at 5.25% per annum on 15 May and 15 November each year. The notes are redeemable on 15 May 2023 or on any interest payment date thereafter.

31.7 Interest on the notes is payable at 4.52% per annum up to 11 December 2023. Thereafter, the interest rate resets to the then-prevailing five-year US Dollar Mid-Swap Rate plus 1.59% per annum. Interest is paid semi-annually on 11 June and 11 December each year. The notes are redeemable on 11 December 2023 or on any interest payment date thereafter.

31.8 Interest on the notes is payable at 0.85% per annum up to 25 June 2023. Thereafter, the interest rate resets to the then-prevailing six-month JPY London Interbank Offered Rate plus 0.74125% per annum. Interest is paid semi-annually on 25 June and 25 December each year. The notes are redeemable on 25 June 2023 or on any interest payment date thereafter. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments.

31.9 Interest on the notes is payable quarterly at 3-month Bank Bill Swap Rate (BBISW) plus 1.90% per annum on 8 January, 8 April, 8 July and 8 October each year. The notes are redeemable on 8 April 2026 or on any interest payment date thereafter.

31.10 Interest on the notes is payable semi-annually at 3.70% per annum on 3 March and 3 September each year. The notes are redeemable on 3 March 2026 or on any interest payment date thereafter.

31.11 Interest on the notes is payable at 1.822% per annum up to 10 March 2026. Thereafter, the interest rate resets to the then-prevailing five-year US Dollar Treasury Rate plus 1.10% per annum. Interest is paid semi-annually on 10 March and 10 September each year. The notes are redeemable on 10 March 2026 or on any interest payment date thereafter.

For more information on each instrument, please refer to the "Capital Disclosures" section (unaudited) published on the DBS website (https://www.dbs.com/investors/fixed-income/capital-instruments).

32. Share Capital

The Scrip Dividend Scheme ("Scheme") was re-introduced from the second-quarter interim dividend of financial year 2020. With the lifting of regulatory restrictions on 28 July 2021, the Scheme was not applied to the second and third-quarter interim dividend, as well as the final dividend of financial year 2021.

As at 31 December, 2021, the number of treasury shares held by the Group is 20,872,531 (2020: 25,874,461), which is 0.81% (2020: 1.01%) of the total number of issued shares net of treasury shares.

The Scrip Dividend Scheme ("Scheme") was re-introduced from the second-quarter interim dividend of financial year 2020. With the lifting of regulatory restrictions on 28 July 2021, the Scheme was not applied to the second and third-quarter interim dividend, as well as the final dividend of financial year 2021.

As at 31 December, 2021, the number of treasury shares held by the Group is 20,872,531 (2020: 25,874,461), which is 0.81% (2020: 1.01%) of the total number of issued shares net of treasury shares.

The Scrip Dividend Scheme ("Scheme") was re-introduced from the second-quarter interim dividend of financial year 2020. With the lifting of regulatory restrictions on 28 July 2021, the Scheme was not applied to the second and third-quarter interim dividend, as well as the final dividend of financial year 2021.

As at 31 December, 2021, the number of treasury shares held by the Group is 20,872,531 (2020: 25,874,461), which is 0.81% (2020: 1.01%) of the total number of issued shares net of treasury shares.

The Scrip Dividend Scheme ("Scheme") was re-introduced from the second-quarter interim dividend of financial year 2020. With the lifting of regulatory restrictions on 28 July 2021, the Scheme was not applied to the second and third-quarter interim dividend, as well as the final dividend of financial year 2021.

As at 31 December, 2021, the number of treasury shares held by the Group is 20,872,531 (2020: 25,874,461), which is 0.81% (2020: 1.01%) of the total number of issued shares net of treasury shares.

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As at 31 December, 2021, the number of treasury shares held by the Group is 20,872,531 (2020: 25,874,461), which is 0.81% (2020: 1.01%) of the total number of issued shares net of treasury shares.

The Scrip Dividend Scheme ("Scheme") was re-introduced from the second-quarter interim dividend of financial year 2020. With the lifting of regulatory restrictions on 28 July 2021, the Scheme was not applied to the second and third-quarter interim dividend, as well as the final dividend of financial year 2021.

As at 31 December, 2021, the number of treasury shares held by the Group is 20,872,531 (2020: 25,874,461), which is 0.81% (2020: 1.01%) of the total number of issued shares net of treasury shares.
33. Other Equity Instruments

The following perpetual capital securities issued by the Company are classified as other equity instruments. These instruments are subordinated to all liabilities of the Company and senior only to ordinary shareholders of the Company. Their terms require them to be written-off if and when the Monetary Authority of Singapore notifies the Company that a write-off of the instruments, or a public sector injection of capital (or equivalent support), is necessary, without which the Company or the Group would become non-viable. These instruments qualify as Additional Tier 1 capital under MAS Notice 637, on the basis that the Company is subject to the application of MAS Notice 637.

In $ millions

For more information on each instrument, please refer to the “Capital Disclosures” section (unaudited) published on DBS website unless cancelled by the Company. The capital securities are redeemable on 27 February 2025 or on any distribution payment date thereafter.

Distributions are payable at 3.98% per annum up to 12 September 2025. Thereafter, the distribution rate resets every 7 years to the then-prevailing five-year US Dollar Treasury Rate plus 1.915% per annum. Distributions are paid semi-annually on 27 February and 27 August each year, 33.1 Distributions are payable at 3.60% per annum up to 7 September 2021. Thereafter, the distribution rate resets every 5 years to the then-prevailing five-year US Dollar Swap Rate plus 2.39% per annum. Distributions are paid semi-annually on 7 March and 7 September each year, unless cancelled by the Company. The capital securities were fully redeemed on 7 September 2021.

33.2 Distributions are payable at 3.98% per annum up to 12 September 2025. Thereafter, the distribution rate resets every 7 years to the then-prevailing seven-year Singapore Dollar Swap Offer Rate plus 1.65% per annum. Distributions are paid semi-annually on 12 March and 12 September each year, unless cancelled by the Company. The capital securities are redeemable on 12 September 2025 or on any distribution payment date thereafter.

33.3 Distributions are payable at 3.30% per annum up to 27 February 2025. Thereafter, the distribution rate resets every 5 years to the then-prevailing five-year US Dollar Treasury Rate plus 1.915% per annum. Distributions are paid semi-annually on 27 February and 27 August each year, unless cancelled by the Company. The capital securities are redeemable on 27 February 2025 or on any distribution payment date thereafter.

For more information on each instrument, please refer to the “Capital Disclosures” section (unaudited) published on DBS website (https://www.dbs.com/investors/fixed-income/capital-instruments).

34. Other Reserves and Revenue Reserves

34.1 Other reserves

In $ millions

Note 637, on the basis that the Company is subject to the application of MAS Notice 637. is necessary, without which the Company or the Group would become non-viable. These instruments qualify as Additional Tier 1 capital under MAS Notice 637, on the basis that the Company is subject to the application of MAS Notice 637.

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35. Contingent Liabilities and Commitments

The Group issues guarantees, performance bonds and indemnities in the ordinary course of business. The majority of these facilities are offset by corresponding obligations of third parties.

Guarantees and performance bonds are generally written by the Group to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the customer’s default, the cash requirements of these instruments are expected to be considerably below their nominal amount.

### The Group

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>35,886</td>
<td>33,922</td>
</tr>
<tr>
<td>Net profit attributable to shareholders</td>
<td>6,805</td>
<td>4,721</td>
</tr>
<tr>
<td>Other comprehensive income attributable to shareholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)</td>
<td>32</td>
<td>25</td>
</tr>
<tr>
<td>- Defined benefit plans remeasurements (net of tax)</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>- Transfer from FVOCI revaluation reserves upon disposal of FVOCI equities</td>
<td>39</td>
<td>(91)</td>
</tr>
<tr>
<td>Sub-total</td>
<td>42,674</td>
<td>38,577</td>
</tr>
<tr>
<td>Less: Redemption of preference shares issued by a subsidiary</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Less: Redemption of perpetual capital securities</td>
<td>(1)</td>
<td>-</td>
</tr>
<tr>
<td>Less: Final dividends on ordinary shares of $1.18 paid for the previous financial year</td>
<td>459</td>
<td>838</td>
</tr>
<tr>
<td>Interim dividends on ordinary shares of $0.84 paid for the current financial year</td>
<td>2,154</td>
<td>1,752</td>
</tr>
<tr>
<td>Dividends on other equity instruments</td>
<td>121</td>
<td>100</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>39,941</td>
<td>35,886</td>
</tr>
</tbody>
</table>

(a) Singapore banks are required to maintain a Minimum Regulatory Loss Allowance (MRLA) of at least 1% of the gross carrying amount of selected credit exposures net of collateral per MAS Notice 612. For periods where Stage 1 and 2 $0.1, put below MRLA, the shortfall is appropriated from retained earnings in the shareholders’ funds into a non-distributable Regulatory Loss Allowance Reserve (RLAR) account (2021: Nil; 2020: Nil)

(b) Includes commitments that are unconditionally cancellable at any time by the Group (2021: $264,953 million; 2020: $251,200 million)

### Analysed by geography** (excluding capital commitments)

- Singapore: 145,379
- Hong Kong: 62,373
- Rest of Greater China: 47,738
- South and Southeast Asia: 29,963
- Rest of the World: 80,578
- Total: 366,031

**Based on the location of incorporation of the counterparty or borrower

### Analysed by industry (excluding capital commitments)

- Manufacturing: 56,053
- Building and construction: 30,096
- Financial institutions, investment and holding companies: 40,027
- Professionals and private individuals (excluding housing loans): 123,249
- Total: 366,031

### Proposed dividends

Proposed final one-tier tax-exempt dividends on ordinary shares of $0.36 per share have not been accounted for in the financial statements for the year ended 31 December 2021. This is to be approved at the Annual General Meeting on 31 March 2022.
36. Financial Derivatives

Financial derivatives are financial instruments whose characteristics are derived from the underlying assets, or from interest and exchange rates or indices. These include forwards, swaps, futures and options. The following sections outline the nature and terms of the most common types of derivatives used by the Group.

Interest rate derivatives

**Forward rate agreements** give the buyer the ability to determine the underlying rate of interest for a specified period commencing on a specified future date (the settlement date). There is no exchange of principal and settlement is effected on the settlement date. The settlement amount is the difference between the contracted rate and the market rate prevailing on the settlement date.

**Interest rate swaps** involve the exchange of fixed interest obligations with a counterparty for a specified period without exchanging the underlying (or nominal) principal.

**Interest rate futures** are exchange-traded agreements to buy or sell a standard amount of a commodity at an agreed price on a standard future date.

**Commodity derivatives**

**Commodity contracts** are agreements between two parties to exchange cash flows which are dependent on the price of the underlying physical assets.

The following table summarises the contractual or underlying principal amounts of derivative financial instruments held or issued for trading and hedging purposes outstanding at balance sheet date. They do not represent amounts at risk.

**Credit derivatives**

Credit default swaps involve the transfer of credit risk of a reference asset from the protection buyer to the protection seller. The protection buyer makes one or more payments to the seller in exchange for an undertaking by the seller to make a payment to the buyer upon the occurrence of a predefined credit event.

**Commodity derivatives**

Commodity contracts are agreements between two parties to exchange cash flows which are dependent on the price of the underlying physical assets.

**Commodity futures** are exchange-traded agreements to buy or sell a standard amount of a commodity at an agreed price on a standard future date.

**Commodity options** give the buyer, on payment of a premium, the right but not the obligation, to buy or sell a specific amount of commodity at an agreed contract price on or before a specified date.

36.1 Trading derivatives

Most of the Group’s derivatives relate to sales and trading activities. Sales activities include the structuring and marketing of derivatives to customers to enable them to take, transfer, modify or reduce current or expected risks. Trading activities are entered into principally for dealers’ margin or for the purpose of generating a profit from short-term fluctuations in price.

Trading includes mainly market-making and warehousing to facilitate customer orders. Market-making involves quoting bid and offer prices to other market participants with the intention of generating revenues based on spread and volume. Warehousing involves holding on to positions in order to liquidate in an orderly fashion with timing of unwinding determined by market conditions and traders’ views of markets as they evolve.

**Foreign exchange derivatives**

Forward foreign exchange contracts are agreements to buy or sell fixed amounts of foreign currency at agreed rates of exchange on a specified future date.

**Cross currency swaps** are agreements to exchange, and on termination of the swap, to exchange principal amounts denominated in different currencies. Cross currency swaps may involve the exchange of interest payments in one specified currency for interest payments in another specified currency for a specified period.

**Currency options** give the buyer, on payment of a premium, the right but not the obligation, to buy or sell specified amounts of foreign currency at agreed rates of exchange on or before a specified future date.

**Equity derivatives**

**Equity options** give the buyer, on payment of a premium, the right but not the obligation, either to purchase or sell a specified stock or stock index at a specified price or level on or before a specified date.

**Equity swaps** involve the exchange of a set of payments whereby one of these payments is based on an equity-linked return while the other is typically based on an interest reference rate.

**Interest rate derivatives**

**Interest rate derivatives**

<table>
<thead>
<tr>
<th>Type</th>
<th>Underlying notional</th>
<th>Amount</th>
<th>2021</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate derivatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward rate agreements</td>
<td>11,938</td>
<td>63</td>
<td>69</td>
<td>28,403</td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td>1,298,345</td>
<td>9,072</td>
<td>8,978</td>
<td>1,040,404</td>
</tr>
<tr>
<td>Interest rate futures</td>
<td>20,306</td>
<td>15</td>
<td>3</td>
<td>2,872</td>
</tr>
<tr>
<td>Interest rate options</td>
<td>10,029</td>
<td>190</td>
<td>172</td>
<td>9,570</td>
</tr>
<tr>
<td>Interest rate cap/floor</td>
<td>97,983</td>
<td>800</td>
<td>1,147</td>
<td>37,614</td>
</tr>
<tr>
<td>Sub-total</td>
<td>1,376,603</td>
<td>10,140</td>
<td>10,369</td>
<td>1,118,863</td>
</tr>
</tbody>
</table>

**Foreign exchange (FX) derivatives**

<table>
<thead>
<tr>
<th>Type</th>
<th>Underlying notional</th>
<th>Amount</th>
<th>2021</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>FX contracts</td>
<td>508,961</td>
<td>3,403</td>
<td>3,554</td>
<td>573,763</td>
</tr>
<tr>
<td>Currency swaps</td>
<td>222,593</td>
<td>3,840</td>
<td>3,597</td>
<td>233,437</td>
</tr>
<tr>
<td>Currency options</td>
<td>72,669</td>
<td>237</td>
<td>288</td>
<td>92,783</td>
</tr>
<tr>
<td>Sub-total</td>
<td>804,223</td>
<td>7,480</td>
<td>7,109</td>
<td>508,983</td>
</tr>
</tbody>
</table>

**Equity derivatives**

<table>
<thead>
<tr>
<th>Type</th>
<th>Underlying notional</th>
<th>Amount</th>
<th>2021</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity options and others</td>
<td>16,451</td>
<td>350</td>
<td>1,106</td>
<td>7,732</td>
</tr>
<tr>
<td>Equity swaps</td>
<td>5,975</td>
<td>445</td>
<td>137</td>
<td>4,723</td>
</tr>
<tr>
<td>Sub-total</td>
<td>22,227</td>
<td>795</td>
<td>1,243</td>
<td>12,455</td>
</tr>
</tbody>
</table>

**Credit derivatives**

<table>
<thead>
<tr>
<th>Type</th>
<th>Underlying notional</th>
<th>Amount</th>
<th>2021</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit default swaps and others</td>
<td>24,265</td>
<td>351</td>
<td>222</td>
<td>29,133</td>
</tr>
<tr>
<td>Sub-total</td>
<td>24,265</td>
<td>351</td>
<td>222</td>
<td>29,133</td>
</tr>
</tbody>
</table>

**Commodity derivatives**

<table>
<thead>
<tr>
<th>Type</th>
<th>Underlying notional</th>
<th>Amount</th>
<th>2021</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodity contracts</td>
<td>1,376,603</td>
<td>10,140</td>
<td>10,369</td>
<td>1,118,863</td>
</tr>
</tbody>
</table>

**Total derivatives held for trading**

2,233,148 18,821 19,079 2,064,931 31,576 31,565

**Derivatives held for hedging**

<table>
<thead>
<tr>
<th>Type</th>
<th>Underlying notional</th>
<th>Amount</th>
<th>2021</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate swaps for fair value hedge</td>
<td>13,156</td>
<td>94</td>
<td>255</td>
<td>15,666</td>
</tr>
<tr>
<td>Interest rate swaps for cash flow hedge</td>
<td>17,329</td>
<td>9</td>
<td>233</td>
<td>85</td>
</tr>
<tr>
<td>FX contracts for cash flow hedge</td>
<td>6,743</td>
<td>69</td>
<td>44</td>
<td>5,645</td>
</tr>
<tr>
<td>FX contracts for hedge of net investment</td>
<td>7,217</td>
<td>43</td>
<td>11</td>
<td>659</td>
</tr>
<tr>
<td>Currency swaps for fair value hedge</td>
<td>425</td>
<td>1</td>
<td>17</td>
<td>1,080</td>
</tr>
<tr>
<td>Currency swaps for cash flow hedge</td>
<td>23,151</td>
<td>635</td>
<td>680</td>
<td>18,816</td>
</tr>
<tr>
<td>Currency swaps for hedge of net investment</td>
<td>2,055</td>
<td>9</td>
<td>–</td>
<td>2,022</td>
</tr>
<tr>
<td>Sub-total</td>
<td>70,976</td>
<td>860</td>
<td>1,239</td>
<td>43,773</td>
</tr>
</tbody>
</table>

**Total derivatives held for hedging**

2,303,224 19,681 20,318 2,108,704 31,168 32,904

**Impact of netting arrangements recognised for computation of Capital Adequacy Ratio (CAR) (unaudited)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>2021</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>(12,932)</td>
<td>12,932</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(19,623)</td>
<td>19,623</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

# Amount under $500,000

The derivative financial instruments are mainly booked in Singapore. The Group manages its credit exposures by entering into master netting agreements and collateral agreements with most of these counterparties. For those arrangements that comply with the regulatory requirements as set out in MAS Notice 637, the Group recognises the netting arrangements in the computation of its Capital Adequacy Ratios.
37. Interest Rate Benchmark Reform

In March 2021, the UK Financial Conduct Authority (FCA) announced the dates on which LIBOR would be discontinued. All GBP, CHF, EUR, JPY London Interbank Offered Rate (LIBOR) settings and the one-week and two-month USD LIBOR settings would lose representativeness or discontinue after 31 December 2021. The remaining USD LIBOR settings would lose representativeness or discontinue after 30 June 2023. In Singapore, as announced by the Steering Committee for SOR & SIBOR Transition to SORA (SC-STS) on 31 March 2021, Singapore Swap Offer Rate (SOR), which relies on USD LIBOR in its computation, would similarly be discontinued immediately after 30 June 2023 across all settings. The Singapore Interbank Offered Rate (SIBOR) would discontinue by end-2024, with 6-month SIBOR being discontinued immediately after 31 March 2022.

The Group’s main interest rate benchmark exposures are USD LIBOR, SOR and SIBOR. USD LIBOR will be replaced by USD Secured Overnight Financing Rate (SOFR) while the replacement benchmark rate for SOR and SIBOR is Singapore Overnight Rate Average (SORA).

Changes in contractual cash flows of financial instruments as described in Note 2.3, the Group adopted Phase 2 amendments on 1 January 2021. The Phase 2 amendments provide practical expedients that require changes in contractual cash flows of financial instruments that result solely from IBOR reform and are economically equivalent to be acceded for by updating the effective interest rate, rather than recognizing an immediate gain or loss in the income statement.

Hedge accounting

The SFAS (9) requirements in respect of hedge accounting were amended in two phases. The first set of amendments (Phase 1 amendments), which was adopted by the Group in 2020, provided temporary exceptions that allowed the continuation of hedge accounting for existing hedge relationships under the assumption that IBOR-based hedged cash flows are not altered as a result of uncertainty arising from IBOR reform. The uncertainty ends when the key terms of transition have been finalised, i.e. the timing of the transition and adjustment spreads between an IBOR and its ARR have been finalised for affected contracts. As at 31 December 2021, the Group continues to apply these temporary exceptions for USD and SGD denominated hedging relationships.

The key assumption made when performing hedge accounting is that both the hedged item and hedging instrument will be amended from existing IBORs to new ARRs at the same time. Where actual differences between those dates arise, hedge ineffectiveness will be recorded in the income statement.

Significant judgement is also required to determine when uncertainty arising from IBOR reform ends and, hence, Phase 1 amendments cease to apply. Therefore, Phase 2 amendments, adopted by the Group, require the Group to continue hedge accounting when changes to the hedging instrument, hedged item and hedged risk arise solely from IBOR reform. Hedge ineffectiveness (e.g. arising from mismatches of timing, or cash flows) continue to be recorded in the income statement.

How the Group is managing the transition to ARRs

A Group steering committee was established in 2019 to manage the impact of IBOR reform on the Group. The committee comprises senior representatives from Institutional Banking Group, Consumer Banking Group, Treasury Markets, Finance, Risk Management Group, Technology & Operations, Legal and Compliance and Group Strategic Marketing and Communications and is chaired by the Corporate Treasurer. The Terms of Reference of the committee are to review transition plans related to LIBOR and SIBOR discontinuation, SIBOR reform and other interest rate benchmark reform, to assess the Group’s key risks across different scenarios, and to develop strategies to manage existing and new business in the context of these risks. Oversight of IBOR reform is provided by the Group Executive Committee and the Board Risk Management Committee.

As at 31 December 2021, changes required to systems, processes and models have been identified and have substantially implemented. Substantially all contracts with interest rates that are pegged to GBP, CHF, EUR, JPY LIBOR or one-week and two-month tenors for USD LIBOR have been remediated. For contracts referencing SOR, SIBOR or the remaining USD LIBOR settings, the Group has begun its communication with relevant counterparties and contract remediation is ongoing.

The Group has identified the risks arising from IBOR reform are:

- Risk of contractual disputes arising from the lack of legal clauses catering for the discontinuation of an interest rate benchmark, and its replacement with an ARR, or such clauses failing to operate as expected; and
- Risk of reputational harm due to poor customer management related to interest rate benchmark discontinuation, leading to loss of customer business.

These risks are mitigated through robust oversight by the Group steering committee. The Group will continue to identify and assess risks associated with IBOR reform.

38. Hedge Accounting

The Group enters into hedging transactions to manage exposures to interest rate and foreign currency risks. Hedge accounting is applied to minimise volatility in earnings arising from changes in interest rate and foreign exchange rates. Please refer to Risk Management section for more information on market risk and the Group’s risk management practices and Note 2.19 for the Group’s accounting policy for hedge accounting.

38.1 Fair value hedge

In accordance with the risk management strategy in place, the Group enters into interest rate swaps to mitigate the risk of changes in interest rates on the fair value of the following:

- Issued fixed rate debt;
- A portion of purchased fixed rate bonds; and
- Some large exposures to corporate loans.

In such instances, the Group hedges the benchmark interest rate risk component which is an observable and reliably measurable component of interest rate risk. Specifically, the Group has designated fair value hedge relationships, on a hedge-by-hedge basis, to hedge against movements in the benchmark interest rate. This effectively results in the recognition of interest expense (for fixed rate liabilities), or interest income (for fixed rate assets) at floating rates. The Group also uses cross currency swaps when there is a need to hedge both interest rate and foreign exchange risks.

The Group manages all other risks arising from these exposures, such as credit risk, but hedge accounting is not applied for those risks. The Group assesses prospective hedge effectiveness by comparing the changes in fair value of the hedged item resulting from movements in the benchmark interest rate with the changes in fair value of the interest rate swaps used to hedge the exposure. The Group determines the hedge ratio by comparing the notion of the derivative with the principal of the debt issued or the bond asset purchased, or the loan granted. For all interest rate swaps used for hedging purposes, critical terms match or nearly match those of the underlying hedged items.

The Group has identified the following possible sources of ineffectiveness:

- The use of derivatives as a protection against interest rate risk creates an exposure to the derivative counterparty’s credit risk which is not offset by the hedged item. This risk is minimised by entering into derivatives with high credit quality counterparties;
- The use of different discounting curves when measuring the fair value of the hedged items and hedging instruments. For derivatives the discounting curve used depends on collateralisation and the type of collateral used; and
- Differences in the timing of settlement of hedging instruments and hedged items.

No other significant sources of ineffectiveness were identified in these hedge relationships.

The Group typically uses foreign currency denominated borrowings/ deposits to fund its investments in non-SGD denominated PVOCI equity instruments. To reduce the accounting mismatch on the borrowing/ funding change rate movements, the Group designates the borrowings/ deposits as the hedging instruments in fair value hedges of the PVOCI equity instruments. The hedge ratio is determined by comparing the principal of the borrowed/ deposited with the investment in the PVOCI equity instruments. A potential source of ineffectiveness is a decrease in the fair value of the equity instruments below their investment costs.
The following table sets out the maturity profile of the hedging instruments used in fair value hedges. The amounts shown in the table reflect the notional amounts of derivatives and the carrying amounts of borrowings and deposits. Please refer to Note 36 for the carrying values of the derivatives.

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Type of risk hedged</th>
<th>Less than 1 year</th>
<th>1 to 5 years</th>
<th>More than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives (notional)</td>
<td>Interest rate swaps</td>
<td>1,815</td>
<td>10,957</td>
<td>384</td>
<td>13,156</td>
</tr>
<tr>
<td></td>
<td>Currency swaps</td>
<td>94</td>
<td>391</td>
<td>-</td>
<td>425</td>
</tr>
<tr>
<td>Total derivatives</td>
<td></td>
<td>1,909</td>
<td>11,288</td>
<td>384</td>
<td>13,581</td>
</tr>
<tr>
<td>Non-derivative instruments</td>
<td>Foreign exchange</td>
<td>1,875</td>
<td>-</td>
<td>-</td>
<td>1,875</td>
</tr>
<tr>
<td>Total non-derivative instruments</td>
<td></td>
<td>1,875</td>
<td>-</td>
<td>-</td>
<td>1,875</td>
</tr>
</tbody>
</table>

2020

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Type of risk hedged</th>
<th>Less than 1 year</th>
<th>1 to 5 years</th>
<th>More than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivatives (notional)</td>
<td>Interest rate swaps</td>
<td>3,987</td>
<td>10,880</td>
<td>799</td>
<td>15,666</td>
</tr>
<tr>
<td></td>
<td>Currency swaps</td>
<td>917</td>
<td>163</td>
<td>-</td>
<td>1,080</td>
</tr>
<tr>
<td>Total derivatives</td>
<td></td>
<td>4,904</td>
<td>11,043</td>
<td>799</td>
<td>16,746</td>
</tr>
<tr>
<td>Non-derivative instruments</td>
<td>Foreign exchange</td>
<td>1,550</td>
<td>-</td>
<td>-</td>
<td>1,550</td>
</tr>
<tr>
<td>Total non-derivative instruments</td>
<td></td>
<td>1,550</td>
<td>-</td>
<td>-</td>
<td>1,550</td>
</tr>
</tbody>
</table>

The table below provides information on hedged items relating to fair value hedges.

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th>2021 Carrying amounts (including hedge adjustments)</th>
<th>2020 Fair value hedge adjustments included in carrying amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>Loans and advances to customers</td>
<td>1,066</td>
<td>(1)</td>
</tr>
<tr>
<td>Government securities and treasury bills</td>
<td>892</td>
<td>4</td>
<td>2,384</td>
</tr>
<tr>
<td>Bank and corporate securities</td>
<td>7,531</td>
<td>(4)</td>
<td>8,462</td>
</tr>
<tr>
<td>Liabilities</td>
<td>Subordinated term debts</td>
<td>460</td>
<td>7</td>
</tr>
<tr>
<td>Other debt securities</td>
<td>5,815</td>
<td>28</td>
<td>5,751</td>
</tr>
</tbody>
</table>

(a) The carrying amounts of debt and equity instruments at fair value through other comprehensive income do not include fair value hedge adjustments as the hedged assets are measured at fair value. The accounting for the hedge relationship results in a transfer from other comprehensive income to the income statement for debt instruments.

For the year ended 31 December 2021, the net gains on hedging instruments used to calculate hedge effectiveness was $167 million (2020: net losses of $312 million). The net losses on hedging instruments attributable to the hedged risk amounted to $166 million (2020: net gains of $307 million).

38.2 Cash flow hedge

The Group is predominantly exposed to variability in future cash flows due to interest rate movements and foreign currency fluctuations from the following:
- assets subject to repricing, reinvestment or refinancing risk;
- forecasted interest earnings denominated in foreign currency;
- issued floating or fixed rate foreign currency debt; and
- a portion of purchased floating or fixed rate foreign currency bonds.

In accordance with the Group risk management strategy, the Group enters into interest rate swaps, forward contracts or cross currency swaps to protect against the variability of cash flows due to changes in interest rates and/or foreign currency exchange rates.

In such instances, cash flow hedge relationships are designated. These are applied on a hedge-by-hedge basis, except for cash flows from assets subject to repricing, reinvestment or refinancing risk, for which a portfolio cash flow hedge relationship is designated using interest rate swaps. A dynamic process is applied for this hedge as the portfolio composition can change e.g. due to maturities and new originations. The portfolio cash flow hedge relationships effectively extend the duration of the assets, such that the interest cash flows are transformed from a floating rate basis to a fixed rate basis.

The Group enters into forward contracts to hedge against variability in future cash flows arising from USD-denominated interest income. The Group also enters into cross currency swaps to mitigate the risk of fluctuation of coupon and principal cash flows due to changes in foreign currency rates of issued foreign currency debt and a portion of purchased foreign currency bonds. Critical terms of the cross-currency swaps match or nearly match that of the issued foreign currency debt or purchased foreign currency bonds.

The Group manages all other risks derived by these exposures, such as credit risk, but they do not apply hedge accounting for these risks. The Group assesses hedge effectiveness by comparing the changes in fair value of a hypothetical derivative reflecting the terms of the hedged item due to movements in the hedged risk with the changes in fair value of the derivatives used to hedge the exposure.

The Group determines the hedge ratio by comparing the notional of the derivatives with the assets subject to repricing/ reinvestment/ refinancing risk or amount of forecast earnings denominated in foreign currency or the principal of the debt securities issued or purchased foreign currency bonds.

The Group has identified the following possible sources of ineffectiveness in its cash flow hedge relationships:
- the use of derivatives as a protection against currency and interest rate risk creates an exposure to the derivative counterpart’s credit risk which is not offset by the hedged item. This risk is minimised by entering into derivatives with high credit quality counterparties;
- difference in tenor of hedged items and hedging instruments;
- difference in timing of settlement of the hedging instrument and hedged item; and
- designation of off-market hedging instruments.

The following table sets out the maturity profile of the hedging instruments used in cash flow hedges. The amounts shown in the table reflect the notional amounts of derivatives. Please refer to Note 36 for the carrying values of the derivatives.

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Type of risk hedged</th>
<th>Less than 1 year</th>
<th>1 to 5 years</th>
<th>More than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives (notional)</td>
<td>Interest rate swaps</td>
<td>-</td>
<td>16,314</td>
<td>1,015</td>
<td>17,329</td>
</tr>
<tr>
<td></td>
<td>Currency swaps</td>
<td>4,005</td>
<td>18,056</td>
<td>1,090</td>
<td>23,151</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>10,428</td>
<td>34,660</td>
<td>2,105</td>
<td>47,233</td>
</tr>
</tbody>
</table>

2020

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th>2021 Carrying amounts (including hedge adjustments)</th>
<th>2020 Fair value hedge adjustments included in carrying amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivatives (notional)</td>
<td>Interest rate</td>
<td>-</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>Currency swaps</td>
<td>1,669</td>
<td>16,267</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>7,056</td>
<td>16,616</td>
</tr>
</tbody>
</table>

The hedge ineffectiveness arising from these hedges was insignificant. Please refer to Note 34 for information on the cash flow hedge reserves.
38.3 Net investment hedges

The Group manages currency risk of its net investment in foreign operations (or structural foreign exchange risk) using foreign currency borrowings, FI forwards, FI swaps and cross currency swaps. Structural foreign exchange exposures are managed with the primary aim of ensuring that consolidated capital ratios are largely protected from the effect of fluctuations in foreign exchange rates against SGD.

Under the Group’s hedging strategy, the carrying amount of these investments could be fully hedged, partially hedged or not hedged at all. The Group regularly reviews its hedging strategy, taking into account the long-term outlook of currency fundamentals and the impact of fluctuations in foreign exchange rates on capital adequacy ratios.

The table below analyses the currency exposure of the Group by functional currency.

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Net Investments in Foreign operations</th>
<th>The Group Financial Instruments which hedge the net investments</th>
<th>Remaining unhedged currency exposures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>9,934</td>
<td>2,298</td>
<td>7,636</td>
</tr>
<tr>
<td></td>
<td>9,829</td>
<td>2,298</td>
<td>7,636</td>
</tr>
<tr>
<td></td>
<td>Chinese yuan</td>
<td>4,424</td>
<td>296</td>
</tr>
<tr>
<td></td>
<td>Taiwan dollar</td>
<td>2,190</td>
<td>684</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>4,276</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30,653</td>
<td>9,428</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>11,772</td>
<td>2,261</td>
</tr>
<tr>
<td></td>
<td>US dollar</td>
<td>2,950</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chinese yuan</td>
<td>2,730</td>
<td>283</td>
</tr>
<tr>
<td></td>
<td>Taiwan dollar</td>
<td>2,046</td>
<td>376</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>4,011</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>33,549</td>
<td>2,920</td>
</tr>
</tbody>
</table>

Please refer to Note 34 for information on the capital reserves. Capital reserves include the effect of translation differences on net investments in foreign entities (e.g. subsidiaries, associates, joint ventures and branches) or units with non-SGD functional currency and the related foreign currency financial instruments designated for hedge accounting.

39. Share-based Compensation Plans

As part of the Group’s remuneration policy, the Group provides various share-based compensation plans to foster a culture that aligns employees’ interests with shareholders’, enable employees to share in the Bank’s performance and enhance talent retention.

Main Scheme/ Plan

DBSH Share Plan (Share Plan)

- The Share Plan is granted to Group executives as determined by the Committee appointed to administer the Share Plan from time to time.
- Participants are awarded shares of the Company or, at the Committee’s discretion, their equivalent cash value or a combination.
- Awards consist of main award and retention award (20%/ 15% of main award) for employees on bonus/sales incentive plans respectively. Dividends on unvested shares do not accrue to employees.
- For employees on bonus plan, the main award vests from 2 to 4 years after grant i.e. 33% will vest 2 years after grant; another 33% will vest on the third year and the remaining 34% plus the retention award will vest 4 years after grant.
- For employees on sales incentive plans, the main award vests from 1 to 3 years after grant; i.e. 33% will vest 1 year after grant, another 33% will vest on the second year and the remaining 34% plus the retention award will vest 3 years after grant.
- There are no additional retention awards for shares granted to top performers and key employees as part of talent retention.
- The awards will lapse immediately upon termination of employment, except in the event of ill health, injury, disability, redundancy, retirement or death.
- The market price of shares on the grant date is used to estimate the fair value of the shares awarded. The fair value of the shares granted includes an adjustment to exclude the present value of future expected dividends to be paid during the vesting period.
- Vested and unvested shares are subject to clawback/ malus. Conditions that trigger such clawback/ malus are in the Remuneration Report section of the Annual Report.
- Shares are awarded to non-executive directors as part of director’s remuneration. Details of these awards are disclosed in the Corporate Governance section of the Annual Report.

DBSH Employee Share Plan (ESP)

- The Committee has ceased granting shares under the ESP effective from financial year 2018 remuneration. Shares granted from prior years continue to be outstanding until the shares are fully vested.

DBSH Employee Share Purchase Plan (ESPP)

- The ESPP was implemented in 2019 in selective markets across the Group. All permanent employees who hold the rank of Vice President and below are eligible to participate in the scheme.
- The ESPP is a share ownership plan for eligible employees to own DBSH shares through monthly contributions via deductions from payroll or designated bank accounts.
- Participants contribute up to 10% of month salary (minimum S$50, capped at S$1,000) and the Group will match 25% of the participant’s contributions to buy DBSH ordinary shares for a period of 12 months during each plan year.
- The matching shares bought from the Group’s contribution will vest 24 months after the last contribution month for each plan year.
- The matching shares will lapse immediately upon termination of employment, except in the event of ill health, injury, disability, redundancy, retirement or death.
39.1 DBS Share Plan and DBS Employee Share Plan

The following tables set out the movements of the awards during the year:

<table>
<thead>
<tr>
<th>Year</th>
<th>The Group</th>
<th>Number of shares</th>
<th>Share Plan</th>
<th>ESP</th>
<th>Share Plan</th>
<th>ESP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>17,248,786</td>
<td>526,003</td>
<td>17,146,260</td>
<td>1,189,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>5,376,132</td>
<td>6,423,721</td>
<td>(5,209,973)</td>
<td>(5,992,525)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(362,363)</td>
<td>(627,270)</td>
<td>(311,653)</td>
<td>(17,836)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>39.2</td>
<td>6,423,721</td>
<td>(328,670)</td>
<td>(36,127)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>40.1</td>
<td>17,105,292</td>
<td>(17,248,786)</td>
<td>526,003</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>39.2</td>
<td>22.67</td>
<td>–</td>
<td>7.132</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

39.2 DBS Employee Share Purchase Plan

The following table sets out the movements of the shares during the year:

<table>
<thead>
<tr>
<th>Year</th>
<th>The Group</th>
<th>Number of shares</th>
<th>Share Plan</th>
<th>ESP</th>
<th>Share Plan</th>
<th>ESP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>1,015,478</td>
<td>386,568</td>
<td>17,146,260</td>
<td>1,189,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>534,376</td>
<td>676,428</td>
<td>(15,238)</td>
<td>(4,569)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(131,178)</td>
<td>(47,067)</td>
<td>1,015,478</td>
<td>–</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,403,840</td>
<td>1,876,476</td>
<td>39.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>40.1</td>
<td>526,003</td>
<td>(328,670)</td>
<td>(36,127)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

40. Related Party Transactions

40.1 Transactions between the Company and its subsidiaries, including consolidated structured entities, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this Note.

40.2 During the financial year, the Group had banking transactions with related parties, consisting of associates and joint ventures and key management personnel of the Group. These included the taking of deposits and extension of credit facilities to and from these entities. These transactions were made in the ordinary course of business and carried out at arms-length commercial terms, and were not material.

In addition, key management personnel received remuneration for services rendered for the financial year. Non-cash benefits including performance shares were also granted to these personnel.

40.3 Total compensation and fees to key management personnel are as follows:

<table>
<thead>
<tr>
<th>The Group</th>
<th>In millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>51</td>
</tr>
<tr>
<td>2020</td>
<td>45</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>79</td>
</tr>
</tbody>
</table>

41. Fair Value of Financial Instruments

41.1 Valuation Process

The valuation processes within the Group are governed by the Valuation Policy, which is approved by the Board of Directors. The Valuation Policy applies to all financial assets and liabilities that are measured at fair value, covering both market prices as well as model inputs.

Fair valuations are completed at year end and are based on observable inputs.

Vestings/ Forfeitures

Vestings/Forfeitures have been eliminated on consolidation and are not disclosed in this Note.

41.2 Fair Value Hierarchy

The fair value hierarchy accords the highest level to observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities and the lowest level to unobservable inputs. The fair value measurement of each financial instrument is categorised in accordance with the same level of the fair value hierarchy as the input with the lowest level that is significant to the entire measurement. If unobservable inputs are deemed significant, the financial instrument will be categorised as Level 3.

Financial instruments that are valued using quoted prices in active markets are classified as Level 1 within the fair value hierarchy. These would include government and sovereign securities, listed equities and corporate debt securities which are actively traded. Derivatives contracts which are traded in an active exchange market are also classified as Level 1 of the fair value hierarchy.

Where fair value is determined using quoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are not generally available, the Group will determine the fair value based on valuation techniques that use market parameters as inputs including but not limited to yield curves, credit spreads and foreign exchange rates. The majority of valuation techniques employ only observable market data so that reliability of the fair value measurement is high. These would include corporate debt securities, repurchase, reverse repurchase agreements and most of the Group’s OTC derivatives.

The Group classifies financial instruments as Level 3 when there is reliance on unobservable market parameters whether used directly to value a financial asset or liability, or used as inputs to a valuation model, attributing to a significant contribution to the instrument value. These would include all input parameters which are derived from historical data, for example, asset correlations or certain volatilities.

Level 3 instruments also include unquoted equity securities which are measured based on the net asset value of the investments. In addition, Level 3 inputs include all stale quoted prices and other approximations (e.g. bonds valued using credit default swap spreads).

Day 1 Profit or Loss (P&L) Reserve

In situations where the market for an instrument is not active and its fair value is established using a valuation model based on significant unobservable market parameters, the Day 1 P&L arising from the difference in transaction price and end-of-day model valuation is set aside as reserves. A market parameter is defined as being significant when its impact on the Day 1 P&L is greater than an internally determined threshold. The Day 1 P&L reserve is released to the income statement when the parameters become observable or when the transaction is closed out or amortised over the duration of the transaction. At year end, the unamortised Day 1 P&L was not material.

Bid-Off Adjustments

The Group often holds its positions at varying points in time, both long and short positions in financial instruments which are valued using mid-market levels. Bid-off adjustments are then made to account for close-out costs.

IBOR Transition Related Reserves

For positions of the major currency IBORs, the Group has committed to reflecting the respective Alternative Reference Rates (ARRs) plus a spread. Spread derivation details have been made known for most currencies.

Valuation reserves have been set aside where valuation details are not known, and this leads to uncerainty in the forward rate estimation curves used for valuations.

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The following tables present assets and liabilities measured at fair value, classified by level within the fair value hierarchy.

### 2021

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets at FVPL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Government securities and treasury bills</td>
<td>8,425</td>
<td>4,259</td>
<td>–</td>
<td>12,684</td>
</tr>
</tbody>
</table>
| – Bank and corporate securities | 18,816 | 3,636 | 361 
(a) | 22,813 |
| – Other financial assets | – | 16,964 | – | 16,964 |
| FVOCI financial assets | | | | |
| – Government securities and treasury bills | 15,811 | 2,114 | – | 17,925 |
| – Bank and corporate securities | 17,251 | 2,235 | 430 
(b) | 19,916 |
| – Other financial assets | 2 | 5,197 | – | 5,199 |
| **Liabilities** | | | | |
| Financial liabilities at FVPL | | | | |
| – Other debt securities | – | 10,726 | – | 10,726 |
| – Other financial liabilities | 2,626 | 5,726 | 1 | 8,353 |
| Derivatives | 21 | 20,296 | 1 
(c) | 20,318 |

(a) Decrease in Level 3 balance was mainly due to maturity of a note which was priced using proxy valuation
(b) Increase in Level 3 balance was due to a note which was priced using proxy valuation
(c) Increase in Level 3 balance was due to a total return swap whose underlying became illiquid
(d) Decrease in Level 3 balance was due to maturity of a total return swap whose underlying was priced using proxy valuation

### 2020

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets at FVPL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Government securities and treasury bills</td>
<td>8,901</td>
<td>3,740</td>
<td>–</td>
<td>12,641</td>
</tr>
<tr>
<td>– Bank and corporate securities</td>
<td>12,451</td>
<td>4,182</td>
<td>715</td>
<td>17,348</td>
</tr>
<tr>
<td>– Other financial assets</td>
<td>–</td>
<td>13,501</td>
<td>–</td>
<td>13,501</td>
</tr>
<tr>
<td>FVOCI financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Government securities and treasury bills</td>
<td>15,223</td>
<td>2,147</td>
<td>–</td>
<td>17,370</td>
</tr>
<tr>
<td>– Bank and corporate securities</td>
<td>18,518</td>
<td>2,648</td>
<td>268</td>
<td>21,434</td>
</tr>
<tr>
<td>– Other financial assets</td>
<td>–</td>
<td>4,684</td>
<td>–</td>
<td>4,684</td>
</tr>
<tr>
<td>Derivatives</td>
<td>40</td>
<td>31,067</td>
<td>1</td>
<td>31,108</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities at FVPL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Other debt securities</td>
<td>–</td>
<td>8,333</td>
<td>–</td>
<td>8,333</td>
</tr>
<tr>
<td>– Other financial liabilities</td>
<td>1,483</td>
<td>2,488</td>
<td>–</td>
<td>3,971</td>
</tr>
<tr>
<td>Derivatives</td>
<td>103</td>
<td>32,712</td>
<td>89</td>
<td>32,904</td>
</tr>
</tbody>
</table>

The bank and corporate securities classified as Level 3 at 31 December 2021 comprised mainly securities which were marked using approximations and unquoted equity securities valued based on net asset value of the investments.

### 41.3 Own credit adjustments on financial liabilities designated at fair value through profit or loss

Changes in the fair value of financial liabilities designated at fair value through profit or loss related to the Group’s own credit risk are recognised in other comprehensive income. As the Group does not hedge changes in own credit risk arising from financial liabilities, presenting the own credit movements within other comprehensive income does not create or increase an accounting mismatch in the income statement.

The change in fair value attributable to changes in own credit risk has been determined as the amount of change in fair value that is attributable to changes in funding spreads above benchmark interest rates. Fair value changes arising from factors other than the Group’s own credit risk are insignificant.

The cumulative amounts attributable to changes in own credit risk for these financial liabilities as at 31 December 2021 was a loss of $49 million (2020: loss of $25 million).

Realised losses attributable to changes in own credit risk as at 31 December 2021 was a loss of $22 million (2020: loss of $15 million).

### 41.4 Financial assets & liabilities not carried at fair value

For financial assets and liabilities not carried at fair value in the financial statements, the Group has ascertained that their fair values were not materially different from their carrying amounts at year-end.

For cash and balances with central banks, due from banks, loans and advances to customers, as well as due to banks and deposits and balances from customers, the basis of arriving at fair values is by discounting cash flows using the relevant market interest rates for the respective currencies.

For investment debt securities, subordinated term debts and other debts issued, fair values are determined based on independent market quotes, where available. Where market prices are not available, fair values are estimated using discounted cash flow method.

The fair value of variable interest-bearing as well as short-term financial instruments accounted for at amortised cost is assumed to be approximated by their carrying amounts.
42. Credit Risk

42.1 Maximum exposure to credit risk

The following tables show the exposure to credit risk of on-balance sheet and off-balance sheet financial instruments, before taking into account any collateral held, other credit enhancements and netting arrangements. For on-balance sheet financial assets, the maximum credit exposure is the carrying amount. For contingent liabilities, the maximum exposure to credit risk is the amount the Group would have to pay if the instrument is called upon. For undrawn facilities, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

Analysis of Collateral

Whilst the Group's maximum exposure to credit risk is the carrying amount of the assets or, in the case of off-balance sheet instruments, the amount guaranteed, committed, accepted or endorsed, the likely exposure may be lower due to offsetting collateral, credit guarantees and other actions taken to mitigate the Group's exposure.

The description of collateral for each class of financial asset is set out below.

Credit Risk

42.2 Loans and advances to customers

The credit quality of the portfolio of loans and advances that are neither past due nor impaired can be assessed by reference to the loan gradings in MAS Notice 612/ MAS Notice 612A.

Outstanding Loans – Specialised Lending

The Group maintains collateral agreements and enters into master netting agreements with most of the counterparties for derivative transactions.
### Past due but not impaired loans by past due period and industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Less than 30 days past due</th>
<th>30 to 59 days past due</th>
<th>60 to 90 days past due</th>
<th>Total</th>
<th>2021 In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>42</td>
<td>10</td>
<td>5</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Building and construction</td>
<td>40</td>
<td>34</td>
<td>3</td>
<td>77</td>
<td></td>
</tr>
<tr>
<td>Housing loans</td>
<td>373</td>
<td>47</td>
<td>19</td>
<td>439</td>
<td></td>
</tr>
<tr>
<td>General commerce</td>
<td>103</td>
<td>27</td>
<td>5</td>
<td>135</td>
<td></td>
</tr>
<tr>
<td>Transportation, storage and communications</td>
<td>40</td>
<td>32</td>
<td>1</td>
<td>73</td>
<td></td>
</tr>
<tr>
<td>Financial institutions, investment and holding companies</td>
<td>190</td>
<td>59</td>
<td>1</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Professionals and private individuals (excluding housing loans)</td>
<td>494</td>
<td>53</td>
<td>41</td>
<td>588</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>134</td>
<td>5</td>
<td>6</td>
<td>145</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,416</strong></td>
<td><strong>267</strong></td>
<td><strong>81</strong></td>
<td><strong>1,764</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Non-performing assets by grading and industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Sub-standard</th>
<th>Doubtful</th>
<th>Loss</th>
<th>Total</th>
<th>2021 In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>326</td>
<td>364</td>
<td>115</td>
<td>805</td>
<td>61</td>
</tr>
<tr>
<td>Building and construction</td>
<td>309</td>
<td>50</td>
<td>86</td>
<td>445</td>
<td>40</td>
</tr>
<tr>
<td>Housing loans</td>
<td>192</td>
<td>3</td>
<td>13</td>
<td>208</td>
<td>8</td>
</tr>
<tr>
<td>General commerce</td>
<td>268</td>
<td>269</td>
<td>374</td>
<td>911</td>
<td>45</td>
</tr>
<tr>
<td>Transportation, storage and communications</td>
<td>1,006</td>
<td>217</td>
<td>569</td>
<td>1,792</td>
<td>225</td>
</tr>
<tr>
<td>Financial institutions, investment and holding companies</td>
<td>32</td>
<td>37</td>
<td>24</td>
<td>93</td>
<td>6</td>
</tr>
<tr>
<td>Professionals and private individuals (excluding housing loans)</td>
<td>376</td>
<td>29</td>
<td>14</td>
<td>419</td>
<td>80</td>
</tr>
<tr>
<td>Others</td>
<td>339</td>
<td>233</td>
<td>55</td>
<td>617</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total non-performing loans</strong></td>
<td><strong>2,848</strong></td>
<td><strong>1,192</strong></td>
<td><strong>1,250</strong></td>
<td><strong>5,290</strong></td>
<td><strong>485</strong></td>
</tr>
</tbody>
</table>

### Debt securities, contingent liabilities and others

| Other | 198 | 119 | 242 | 559 | 37 |
| Others | 73 | 36 | 287 | 396 | |
| **Total** | **2,046** | **1,311** | **1,492** | **5,849** | **522** |

| Total of which: restructured assets | 953 | 473 | 146 | 1,572 | 245 |

### Non-performing assets by grading and industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Sub-standard</th>
<th>Doubtful</th>
<th>Loss</th>
<th>Total</th>
<th>2020 In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>308</td>
<td>326</td>
<td>39</td>
<td>673</td>
<td>58</td>
</tr>
<tr>
<td>Building and construction</td>
<td>242</td>
<td>12</td>
<td>98</td>
<td>352</td>
<td>28</td>
</tr>
<tr>
<td>Housing loans</td>
<td>194</td>
<td>17</td>
<td>11</td>
<td>222</td>
<td>12</td>
</tr>
<tr>
<td>General commerce</td>
<td>363</td>
<td>514</td>
<td>94</td>
<td>971</td>
<td>31</td>
</tr>
<tr>
<td>Transportation, storage and communications</td>
<td>1,346</td>
<td>400</td>
<td>902</td>
<td>2,648</td>
<td>145</td>
</tr>
<tr>
<td>Financial institutions, investment and holding companies</td>
<td>21</td>
<td>19</td>
<td>7</td>
<td>47</td>
<td>9</td>
</tr>
<tr>
<td>Professionals and private individuals (excluding housing loans)</td>
<td>403</td>
<td>45</td>
<td>17</td>
<td>465</td>
<td>41</td>
</tr>
<tr>
<td>Others</td>
<td>73</td>
<td>36</td>
<td>287</td>
<td>396</td>
<td></td>
</tr>
<tr>
<td><strong>Total non-performing loans</strong></td>
<td><strong>3,265</strong></td>
<td><strong>1,589</strong></td>
<td><strong>1,205</strong></td>
<td><strong>6,059</strong></td>
<td><strong>377</strong></td>
</tr>
</tbody>
</table>

| Debt securities, contingent liabilities and others | 198 | 119 | 242 | 559 | 37 |
| Others | 73 | 36 | 287 | 396 | |
| **Total** | **3,503** | **1,880** | **1,303** | **6,686** | **397** |

| Total of which: restructured assets | 953 | 473 | 146 | 1,572 | 245 |

### Notes

- **DBS Annual Report 2021**
- **Financial statements**
Non-performing assets by geography\(^{(a)}\)

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th>Specific allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>2,873</td>
<td>1,434</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>686</td>
<td>421</td>
</tr>
<tr>
<td>Rest of Greater China</td>
<td>343</td>
<td>78</td>
</tr>
<tr>
<td>South and Southeast Asia</td>
<td>1,151</td>
<td>555</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>237</td>
<td>57</td>
</tr>
<tr>
<td>Total non-performing loans</td>
<td>5,290</td>
<td>2,545</td>
</tr>
<tr>
<td>Debt securities, contingent liabilities and others</td>
<td>559</td>
<td>381</td>
</tr>
<tr>
<td>Total</td>
<td>5,849</td>
<td>2,926</td>
</tr>
</tbody>
</table>

2020

| Singapore     | 3,624     | 1,681             |
| Hong Kong     | 678       | 358               |
| Rest of Greater China | 381   | 82                |
| South and Southeast Asia | 1,092 | 511               |
| Rest of the World | 284   | 60                |
| Total non-performing loans | 6,059 | 2,699             |
| Debt securities, contingent liabilities and others | 627 | 322               |
| Total         | 6,686     | 3,014             |

\(^{(a)}\) Based on the location of incorporation of the borrower

Non-performing assets by past due period

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total overdue</td>
<td>1,415</td>
<td>1,340</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5,849</td>
<td>6,686</td>
<td></td>
</tr>
</tbody>
</table>

Past due non-performing assets by industry

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>646</td>
<td>549</td>
<td></td>
</tr>
<tr>
<td>Building and construction</td>
<td>378</td>
<td>289</td>
<td></td>
</tr>
<tr>
<td>Housing loans</td>
<td>169</td>
<td>182</td>
<td></td>
</tr>
<tr>
<td>General commerce</td>
<td>873</td>
<td>940</td>
<td></td>
</tr>
<tr>
<td>Transportation, storage and communications</td>
<td>1,323</td>
<td>2,497</td>
<td></td>
</tr>
<tr>
<td>Financial institutions, investment and holding companies</td>
<td>90</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>Professional and private individuals (excluding housing loans)</td>
<td>162</td>
<td>188</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>472</td>
<td>524</td>
<td></td>
</tr>
<tr>
<td>Total non-performing loans</td>
<td>4,113</td>
<td>5,211</td>
<td></td>
</tr>
<tr>
<td>Debt securities, contingent liabilities and others</td>
<td>321</td>
<td>327</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,434</td>
<td>5,538</td>
<td></td>
</tr>
</tbody>
</table>

Past due non-performing assets by geography\(^{(a)}\)

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>2,182</td>
<td>3,343</td>
<td></td>
</tr>
<tr>
<td>Hong Kong</td>
<td>589</td>
<td>612</td>
<td></td>
</tr>
<tr>
<td>Rest of Greater China</td>
<td>229</td>
<td>289</td>
<td></td>
</tr>
<tr>
<td>South and Southeast Asia</td>
<td>1,041</td>
<td>1,027</td>
<td></td>
</tr>
<tr>
<td>Rest of the World</td>
<td>42</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Total non-performing loans</td>
<td>4,113</td>
<td>5,211</td>
<td></td>
</tr>
<tr>
<td>Debt securities, contingent liabilities and others</td>
<td>321</td>
<td>327</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,434</td>
<td>5,538</td>
<td></td>
</tr>
</tbody>
</table>

\(^{(a)}\) Based on the location of incorporation of the borrower

Secured non-performing assets by collateral type

<table>
<thead>
<tr>
<th>The Group</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares and debentures</td>
<td>42</td>
<td>143</td>
</tr>
<tr>
<td>Cash deposits</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Others</td>
<td>1,507</td>
<td>1,958</td>
</tr>
<tr>
<td>Total</td>
<td>2,670</td>
<td>3,107</td>
</tr>
</tbody>
</table>

42.3 Credit quality of Government securities and treasury bills and Bank and corporate debt securities

The table below presents an analysis of Government securities and treasury bills and Bank and corporate debt securities for the Group by external rating bands:

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore Government securities and treasury bills (Gross)</td>
<td>11,364</td>
</tr>
<tr>
<td>Other Government securities and treasury bills (Gross)</td>
<td>2,873</td>
</tr>
<tr>
<td>Bank and corporate debt securities (Gross)</td>
<td>5,290</td>
</tr>
</tbody>
</table>

Analysed by external ratings

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>11,364</td>
</tr>
<tr>
<td>Other</td>
<td>2,873</td>
</tr>
<tr>
<td>Bank and corporate debt securities (Gross)</td>
<td>5,290</td>
</tr>
</tbody>
</table>

42.4 Credit risk by geography and industry

<table>
<thead>
<tr>
<th>Government securities and treasury bills (Gross)</th>
<th>Due from banks (Gross)</th>
<th>Derivatives</th>
<th>Bank and corporate debt securities (Gross)</th>
<th>Loans and advances to customers (Gross)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,364</td>
<td>13,608</td>
<td>6,757</td>
<td>7,174</td>
<td>38,095</td>
<td>54,156</td>
</tr>
</tbody>
</table>

Analysed by geography\(^{(a)}\)

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>The Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>11,364</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2,182</td>
</tr>
<tr>
<td>Rest of Greater China</td>
<td>229</td>
</tr>
<tr>
<td>South and Southeast Asia</td>
<td>1,041</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>42</td>
</tr>
<tr>
<td>Total non-performing loans</td>
<td>4,113</td>
</tr>
<tr>
<td>Debt securities, contingent liabilities and others</td>
<td>321</td>
</tr>
<tr>
<td>Total</td>
<td>4,434</td>
</tr>
</tbody>
</table>

\(^{(a)}\) Based on the location of incorporation of the borrower (for debt securities), counterparty (for derivatives), borrower (for loans) or the issuing bank in the case of bank issued capital (for derivatives)
### 43. Liquidity Risk

#### 43.1 Contractual maturity profile of assets and liabilities

The table below analyses assets and liabilities of the Group as at 31 December based on the remaining period as at balance sheet date to the contractual maturity date.

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Less than 7 days</th>
<th>1 to 3 months</th>
<th>3 to 12 months</th>
<th>More than 12 months</th>
<th>No specific maturity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2021</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td>18,190</td>
<td>17,173</td>
<td>17,904</td>
<td>1,973</td>
<td>1,137</td>
<td>-</td>
</tr>
<tr>
<td>Government securities and treasury bills</td>
<td>623</td>
<td>2,416</td>
<td>5,252</td>
<td>6,575</td>
<td>12,445</td>
<td>4,259</td>
</tr>
<tr>
<td>Derivatives(a)</td>
<td>19,681</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bank and corporate securities</td>
<td>-</td>
<td>885</td>
<td>2,161</td>
<td>7,989</td>
<td>17,097</td>
<td>11,247</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>39,873</td>
<td>66,763</td>
<td>38,870</td>
<td>62,213</td>
<td>80,655</td>
<td>49,279</td>
</tr>
<tr>
<td>Other assets</td>
<td>10,206</td>
<td>718</td>
<td>1,371</td>
<td>2,082</td>
<td>135</td>
<td>22</td>
</tr>
<tr>
<td>Total assets</td>
<td>111,798</td>
<td>97,905</td>
<td>73,758</td>
<td>90,445</td>
<td>112,058</td>
<td>68,807</td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td>12,093</td>
<td>7,523</td>
<td>3,670</td>
<td>2,155</td>
<td>4,767</td>
<td>-</td>
</tr>
<tr>
<td>Government securities and treasury bills</td>
<td>1,077</td>
<td>6,648</td>
<td>15,840</td>
<td>14,291</td>
<td>5,090</td>
<td>3,795</td>
</tr>
<tr>
<td>Derivatives(a)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bank and corporate securities</td>
<td>-</td>
<td>310</td>
<td>4,379</td>
<td>30,963</td>
<td>129,141</td>
<td>40,669</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>31,108</td>
<td>39,873</td>
<td>66,763</td>
<td>38,870</td>
<td>62,213</td>
<td>80,655</td>
</tr>
<tr>
<td>Other assets</td>
<td>10,206</td>
<td>718</td>
<td>1,371</td>
<td>2,082</td>
<td>135</td>
<td>22</td>
</tr>
<tr>
<td>Total assets</td>
<td>111,798</td>
<td>97,905</td>
<td>73,758</td>
<td>90,445</td>
<td>112,058</td>
<td>68,807</td>
</tr>
</tbody>
</table>

\(a\) Derivative financial assets and liabilities are included in the “Less than 7 days” bucket as they are mainly held for trading. Please refer to the tables in Note 38 for the maturity profile of hedging derivatives.

The above table includes disclosure of the contractual maturity of financial liabilities, which approximates the same analysis on an undiscounted basis, as total future interest payments are not material relative to the principal amounts. Assets and liabilities (including non-maturing savings/ current deposits) are represented on a contractual basis or in a period when it can legally be withdrawn. The cash flows of assets and liabilities may behave differently from their contractual terms.
43.2 Contingent liabilities and commitments

The table below shows the Group’s contingent liabilities and commitments based on the remaining period as at the balance sheet date to contractual expiry date.

<table>
<thead>
<tr>
<th>in $ millions</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantees, letters of credit and other contingent liabilities</td>
<td>34,079</td>
<td>29,316</td>
</tr>
<tr>
<td>Undrawn credit commitments and other facilities</td>
<td>288,383</td>
<td>269,568</td>
</tr>
<tr>
<td>Capital commitments</td>
<td>56</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>322,478</td>
<td>288,898</td>
</tr>
</tbody>
</table>

(1) Includes commitments that are unconditionally cancellable at any time by the Group

The Group expects that not all of the contingent liabilities will be called upon and not all of the undrawn credit commitments will be drawn before expiry.

44. Capital Management

The Board is responsible for setting the Group’s capital management objective, which is to maintain a strong capital position consistent with regulatory requirements under the MAS Notice 637 and the expectations of various stakeholders, including customers, investors and rating agencies. The Board articulates this objective in the form of capital targets. This objective is pursued while delivering returns to shareholders and ensuring that adequate capital resources are available for business growth and investment opportunities as well as adverse situations, taking into consideration the Group’s strategic plans and risk appetite.

The Group’s capital management objective is implemented via a capital management and planning process that is overseen by the Capital Committee. The Capital Committee receives regular updates on the Group’s capital management and planning process which is overseen by the Capital Committee. The Chief Financial Officer chairs the Capital Committee. The Capital Committee receives regular updates on the Group’s capital management and planning process.

45. Segment Reporting

45.1 Business segment reporting

The business segment results are prepared based on the Group’s internal management reporting which reflects the organisation’s management structure. As the activities of the Group are highly integrated, internal allocation has been made in preparing the segment information. Amounts for each business segment are shown after the allocation of certain centralised costs, funding income and the application of transfer pricing, where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

The Group’s various business segments are described below.

Consumer Banking/ Wealth Management

Consumer Banking/ Wealth Management provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, loans and home finance, cards, payments, investment and insurance products.

Institutional Banking

Institutional Banking provides financial services and products to institutional clients including bank and non-bank financial institutions, government-linked companies, large corporates and small and medium-sized businesses. The business focuses on broadening and deepening customer relationships. Products and services comprise the full range of credit facilities from short-term working capital financing to specialised lending. It also provides global transactional services such as cash management, trade finance and securities and fiduciary services, treasury and markets products, corporate finance and advisory banking as well as capital markets solutions.

Treasury Markets

Treasury Markets’ activities primarily include structuring, market-making and trading across a broad range of treasury products.

Income from sale of treasury products offered to customers of Consumer Banking/ Wealth Management and Institutional Banking is not reflected in the Treasury Markets segment, but is in the respective customer segments.

Others

The Others segment encompasses the results of corporate decisions that are not attributed to business segments as well as the contribution of LVB as its activities have not been aligned with the Group’s segment definitions. It includes earnings on capital deployed into high quality assets, earnings from non-core asset sales and certain other head office items such as centrally raised allowances. DBS Vickers Securities is also included in this segment.

For more information, please refer to the Group’s Pillar 3 disclosures published on DBS website: [https://www.dbs.com/investors/default.page](https://www.dbs.com/investors/default.page)
### Geographical segment reporting

The performance by geography is classified based on the location in which income and assets are recorded, with head office items such as centrally raised credit allowances reflected in Singapore. Hong Kong comprises mainly DBS Bank (HK) Limited and DBS HK branch. Rest of Greater China comprises mainly DBS Bank (China) Ltd, DBS Bank (Taiwan) Ltd and DBS Taipei branch. South and Southeast Asia comprises mainly PT Bank DBS Indonesia, DBS Bank India Limited (including LVB balances post-amalgamation) and DBS Labuan branch. All results are prepared in accordance with IFRS.

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Singapore</th>
<th>Hong Kong</th>
<th>Rest of Greater China</th>
<th>South and Southeast Asia</th>
<th>Rest of the World</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>449,547</td>
<td>106,187</td>
<td>58,926</td>
<td>26,645</td>
<td>39,406</td>
<td>680,711</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>1,935</td>
<td>661</td>
<td>188</td>
<td>205</td>
<td>669</td>
<td>3,058</td>
</tr>
<tr>
<td>Net interest income</td>
<td>5,751</td>
<td>1,607</td>
<td>721</td>
<td>677</td>
<td>320</td>
<td>9,076</td>
</tr>
<tr>
<td>Goodwill and intangibles</td>
<td>5,133</td>
<td>29</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>5,362</td>
</tr>
<tr>
<td>Total assets</td>
<td>454,680</td>
<td>106,216</td>
<td>58,926</td>
<td>26,845</td>
<td>39,406</td>
<td>686,073</td>
</tr>
<tr>
<td>Net profit attributable to shareholders</td>
<td>3,818</td>
<td>688</td>
<td>498</td>
<td>403</td>
<td>27</td>
<td>5,434</td>
</tr>
</tbody>
</table>

### Subsequent Events

#### 46.1 Acquisition of consumer banking business of Citigroup Inc in Taiwan

The Group announced on 28 January 2022 that it has agreed to acquire the consumer banking business of Citigroup Inc (Citi) in Taiwan (Citi Consumer Taiwan) via a transfer of assets and liabilities, and will pay Citi cash for the net assets of Citi Consumer Taiwan plus a premium of $916 million (TWD 19.8 billion). The acquisition is in line with the Group’s strategy to scale up its investment and accelerates its expansion in Taiwan.

#### 46.2 Operational risk penalty for digital disruption

On 7 February 2022, an operational risk penalty associated with the digital disruption in November 2021 was imposed on the main subsidiary of the Company, DBS Bank Ltd (the Bank). MAS has required the Bank to apply a multiplier of 1.5 times to its risk-weighted assets for operational risk which translates to an additional $930 million in regulatory capital.

The additional capital requirement will be reviewed when MAS is satisfied that the Bank has addressed the identified shortcomings.

#### Financial statements

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### Income Statement

**DBS Bank Ltd**

**INCOME STATEMENT**

for the year ended 31 December 2021

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Note</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td>7,117</td>
<td>9,201</td>
</tr>
<tr>
<td>Interest expense</td>
<td></td>
<td>1,109</td>
<td>2,761</td>
</tr>
<tr>
<td>Net interest income</td>
<td></td>
<td>6,008</td>
<td>6,440</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td></td>
<td>2,441</td>
<td>2,140</td>
</tr>
<tr>
<td>Net trading income</td>
<td></td>
<td>1,286</td>
<td>938</td>
</tr>
<tr>
<td>Net income from investment securities</td>
<td></td>
<td>320</td>
<td>858</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td>2</td>
<td>530</td>
</tr>
<tr>
<td>Non-interest income</td>
<td></td>
<td>4,577</td>
<td>4,327</td>
</tr>
<tr>
<td>Total income</td>
<td></td>
<td>10,585</td>
<td>10,763</td>
</tr>
<tr>
<td>Employee benefits</td>
<td></td>
<td>2,366</td>
<td>2,177</td>
</tr>
<tr>
<td>Other expenses</td>
<td></td>
<td>1,749</td>
<td>1,704</td>
</tr>
<tr>
<td>Total expenses</td>
<td></td>
<td>4,115</td>
<td>3,881</td>
</tr>
<tr>
<td>Profit before allowances</td>
<td></td>
<td>6,470</td>
<td>6,882</td>
</tr>
<tr>
<td>Alliances for credit and other losses</td>
<td></td>
<td>(118)</td>
<td>2,323</td>
</tr>
<tr>
<td>Profit before tax</td>
<td></td>
<td>6,588</td>
<td>4,659</td>
</tr>
<tr>
<td>Income tax expense</td>
<td></td>
<td>713</td>
<td>408</td>
</tr>
<tr>
<td>Net profit attributable to shareholders</td>
<td></td>
<td>5,875</td>
<td>4,151</td>
</tr>
</tbody>
</table>

(see notes on pages 187 to 189 which form part of these financial statements)

### Statement of Comprehensive Income

**DBS Bank Ltd**

**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 December 2021

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td>5,875</td>
<td>4,151</td>
</tr>
<tr>
<td>Other comprehensive income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that may be reclassified subsequently to income statement:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Translation differences for foreign operations</td>
<td>27</td>
<td>(13)</td>
</tr>
<tr>
<td>Gains/losses on debt instruments classified at fair value through other comprehensive income and cash flow hedge movements:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net valuation taken to equity</td>
<td>(578)</td>
<td>879</td>
</tr>
<tr>
<td>Transferred to income statement</td>
<td>(249)</td>
<td>(478)</td>
</tr>
<tr>
<td>Taxation relating to components of other comprehensive income</td>
<td>35</td>
<td>(10)</td>
</tr>
<tr>
<td>Items that will not be reclassified to income statement:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains/losses on equity instruments classified at fair value through other comprehensive income (net of tax)</td>
<td>111</td>
<td>(240)</td>
</tr>
<tr>
<td>Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)</td>
<td>32</td>
<td>25</td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td>(686)</td>
<td>160</td>
</tr>
<tr>
<td>Total comprehensive income attributable to shareholders</td>
<td>5,189</td>
<td>4,314</td>
</tr>
</tbody>
</table>

(see notes on pages 187 to 189 which form part of these financial statements)
NOTES TO THE SUPPLEMENTARY financial statements
for the year ended 31 December 2021

The supplementary financial statements of DBS Bank Ltd (the Bank) are extracted from the Audited Statutory Financial Statements of DBS Bank Ltd and its subsidiaries (the Bank Group) for the financial year ended 31 December 2021. The statutory financial statements of the Bank and the Bank Group which contained an unqualified audit report, will be delivered to the Accounting & Corporate Regulatory Authority in accordance with the Singapore Companies Act.

1. Summary of Significant Accounting Policies

The accounting policies applied by the Bank and the Bank Group are consistent with those applied by the Group as disclosed in Note 2 of the “Notes to the Financial Statements” (Notes) in the Group’s Consolidated Financial Statements.

2. Other Income

Other income includes the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2021 (In $ millions)</th>
<th>2020 (In $ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends from subsidiaries</td>
<td>475</td>
<td>341</td>
</tr>
<tr>
<td>Dividends from associates</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td>Total other income</td>
<td>491</td>
<td>347</td>
</tr>
</tbody>
</table>

3. Subsidiaries

<table>
<thead>
<tr>
<th>Description</th>
<th>2021 (In $ millions)</th>
<th>2020 (In $ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in subsidiaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares</td>
<td>12,958</td>
<td>12,782</td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td>15,587</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>28,545</td>
</tr>
</tbody>
</table>

4. Share Capital

<table>
<thead>
<tr>
<th>Shares (‘000)</th>
<th>2021</th>
<th>2020</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares</td>
<td>2,626,196</td>
<td>2,626,196</td>
<td>24,452</td>
<td>24,452</td>
</tr>
<tr>
<td>Redeemable preference shares</td>
<td>-</td>
<td>799</td>
<td>-</td>
<td>799</td>
</tr>
<tr>
<td>Non-cumulative preference shares</td>
<td>2,626,196</td>
<td>2,626,196</td>
<td>24,452</td>
<td>24,452</td>
</tr>
<tr>
<td>Redeemable preference shares</td>
<td>-</td>
<td>799</td>
<td>-</td>
<td>799</td>
</tr>
<tr>
<td>Issued share capital at 31 December</td>
<td>24,452</td>
<td>24,452</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) The carrying amounts of certain investments which are designated as hedged items in a fair value hedge are adjusted for fair value changes attributable to the hedged risks.
5. Other Equity Instruments

The following perpetual capital securities issued by the Bank are classified as other equity instruments. These instruments are subordinated to all liabilities of the Bank and senior only to ordinary shareholders of the Bank. Their terms require them to be written-off if and when the Monetary Authority of Singapore notifies the Bank that a write-off of the instruments, or a public sector injection of capital (or equivalent support), is necessary, without which the Bank Group or the DBSH Group (DBSH and its subsidiaries) would become non-viable. These instruments qualify as Additional Tier 1 capital under MAS Notice 637.

<table>
<thead>
<tr>
<th>Capital Securities</th>
<th>Issue Date</th>
<th>Distribution</th>
<th>Payment</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGD 550m 3.85% Non-Cumulative, Non-Convertible Perpetual Capital Securities</td>
<td>1 Sep 2016</td>
<td>First Callable</td>
<td>Sep</td>
<td>–</td>
<td>550</td>
</tr>
<tr>
<td>USD 185m 4.4% Non-Cumulative, Non-Convertible Perpetual Capital Securities</td>
<td>1 Sep 2016</td>
<td>First Callable</td>
<td>Sep</td>
<td>–</td>
<td>252</td>
</tr>
<tr>
<td>USD 750m 3.68% Non-Cumulative, Non-Convertible Perpetual Capital Securities</td>
<td>7 Sep 2016</td>
<td>First Callable</td>
<td>Mar</td>
<td>–</td>
<td>1,011</td>
</tr>
<tr>
<td>SGD 1,000m 3.98% Non-Cumulative, Non-Convertible Perpetual Capital Securities</td>
<td>12 Sep 2018</td>
<td>First Callable</td>
<td>Mar</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>USD 1,000m 3.30% Non-Cumulative, Non-Convertible Perpetual Capital Securities</td>
<td>27 Feb 2020</td>
<td>Feb/Aug</td>
<td>1,396</td>
<td>1,396</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td>2,396</td>
<td>4,209</td>
</tr>
</tbody>
</table>

6. Other Reserves and Revenue Reserves

6.1 Other reserves

<table>
<thead>
<tr>
<th>Reserves</th>
<th>In $ millions</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>PVOCI revaluation reserves (bonds)</td>
<td>(79)</td>
<td>281</td>
<td></td>
</tr>
<tr>
<td>PVOCI revaluation reserves (equities)</td>
<td>(114)</td>
<td>(190)</td>
<td></td>
</tr>
<tr>
<td>Cash flow hedge reserves</td>
<td>(187)</td>
<td>245</td>
<td></td>
</tr>
<tr>
<td>Capital reserves</td>
<td>(45)</td>
<td>(72)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(425)</td>
<td>(264)</td>
<td></td>
</tr>
</tbody>
</table>

Movements in other reserves of the Bank during the year are as follows:

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>PVOCI revaluation reserves (bonds)</th>
<th>PVOCI revaluation reserves (equities)</th>
<th>Cash flow hedge reserves</th>
<th>Capital reserves</th>
<th><strong>Total</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>281</td>
<td>(190)</td>
<td>245</td>
<td>(72)</td>
<td>264</td>
</tr>
<tr>
<td>Balance at 1 January</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net exchange translation adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PVOCI financial assets and cash flow hedge movements:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- net valuation taken to equity</td>
<td>(280)</td>
<td>117</td>
<td>(298)</td>
<td></td>
<td>(461)</td>
</tr>
<tr>
<td>- transferred to income statement</td>
<td>(97)</td>
<td>(132)</td>
<td></td>
<td></td>
<td>(249)</td>
</tr>
<tr>
<td>- taxation relating to components of other comprehensive income</td>
<td>17</td>
<td>(6)</td>
<td>18</td>
<td></td>
<td>29</td>
</tr>
<tr>
<td>Transfer to revenue reserves upon disposal of PVOCI equities</td>
<td></td>
<td></td>
<td></td>
<td>(35)</td>
<td>(35)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>(79)</td>
<td>(114)</td>
<td>(187)</td>
<td>(45)</td>
<td>(425)</td>
</tr>
</tbody>
</table>

2020

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>PVOCI revaluation reserves (bonds)</th>
<th>PVOCI revaluation reserves (equities)</th>
<th>Cash flow hedge reserves</th>
<th>Capital reserves</th>
<th><strong>Total</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>59</td>
<td>(38)</td>
<td>76</td>
<td>(59)</td>
<td>38</td>
</tr>
<tr>
<td>Net exchange translation adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PVOCI financial assets and cash flow hedge movements:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- net valuation taken to equity</td>
<td>611</td>
<td>(250)</td>
<td>268</td>
<td></td>
<td>629</td>
</tr>
<tr>
<td>- transferred to income statement</td>
<td>(378)</td>
<td>(106)</td>
<td></td>
<td></td>
<td>(478)</td>
</tr>
<tr>
<td>- taxation relating to components of other comprehensive income</td>
<td>(11)</td>
<td>10</td>
<td></td>
<td></td>
<td>88</td>
</tr>
<tr>
<td>Transfer to revenue reserves upon disposal of PVOCI equities</td>
<td></td>
<td></td>
<td></td>
<td>(88)</td>
<td></td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>281</td>
<td>(190)</td>
<td>245</td>
<td>(72)</td>
<td>264</td>
</tr>
</tbody>
</table>

(a) Capital reserves include net exchange translation adjustments arising from translation differences on net investments in foreign branches or units with non-SGD functional currency and the related foreign currency instruments designated as a hedge

6.2 Revenue reserves

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>23,693</td>
<td>19,425</td>
</tr>
<tr>
<td>Redemption of perpetual capital securities</td>
<td>6</td>
<td>4,151</td>
</tr>
<tr>
<td>Redemption of preference shares</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net profit attributable to shareholders</td>
<td>5,875</td>
<td>4,151</td>
</tr>
<tr>
<td>Other comprehensive income attributable to shareholders</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Transfer from PVOCI revaluation reserves upon disposal of PVOCI equities</td>
<td>35</td>
<td>(88)</td>
</tr>
<tr>
<td>- Fair value change from own credit risk on financial liabilities designated at nil</td>
<td>(32)</td>
<td>25</td>
</tr>
<tr>
<td>Sub-total</td>
<td>25,836</td>
<td>22,717</td>
</tr>
<tr>
<td>Less: Dividends paid to holding company</td>
<td>2,143</td>
<td>2,723</td>
</tr>
<tr>
<td>Dividends paid on preference shares</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total balanced at 31 December</td>
<td>23,693</td>
<td>19,425</td>
</tr>
</tbody>
</table>

(a) Singapore banks are required to maintain a Minimum Regulatory Loss Allowance (MRLA) of at least 1% of the gross carrying amount of selected credit exposures net of collateral per MAS Notice 652. For periods where Stage 1 and 2 ESL fall below MRLA, the shortfall is appropriated from retained earnings in the shareholders’ funds into a non-distributable Regulatory Loss Allowance Reserve (RLAR) account. The RLAR was nil as at 31 December 2021 (2020: Nil)
## Summary of selected income statement items ($ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Group</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit excluding one-time items</td>
<td>14,297</td>
<td>14,592</td>
<td>14,544</td>
<td>13,183</td>
<td>11,924</td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td>7,828</td>
<td>8,434</td>
<td>8,286</td>
<td>7,385</td>
<td>6,794</td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>7,776</td>
<td>5,368</td>
<td>7,583</td>
<td>6,675</td>
<td>5,250</td>
<td></td>
</tr>
<tr>
<td>Net profit excluding one-time items</td>
<td>6,801</td>
<td>4,721</td>
<td>6,391</td>
<td>5,625</td>
<td>4,390</td>
<td></td>
</tr>
<tr>
<td>One-time items</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>(48)</td>
<td>(19)</td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td>6,805</td>
<td>4,721</td>
<td>6,391</td>
<td>5,677</td>
<td>4,371</td>
<td></td>
</tr>
</tbody>
</table>

### Five-Year Summary

**Total income**

<table>
<thead>
<tr>
<th>Year</th>
<th>Group</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income</td>
<td>686,073</td>
<td>649,938</td>
<td>578,946</td>
<td>550,751</td>
<td>517,711</td>
<td></td>
</tr>
<tr>
<td>Customer loans</td>
<td>408,993</td>
<td>371,171</td>
<td>357,884</td>
<td>345,003</td>
<td>323,099</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>628,399</td>
<td>595,295</td>
<td>527,147</td>
<td>500,876</td>
<td>467,909</td>
<td></td>
</tr>
<tr>
<td>Customer deposits</td>
<td>501,959</td>
<td>464,850</td>
<td>404,289</td>
<td>393,785</td>
<td>373,634</td>
<td></td>
</tr>
<tr>
<td>Total shareholders’ funds</td>
<td>57,526</td>
<td>54,626</td>
<td>50,981</td>
<td>49,045</td>
<td>47,468</td>
<td></td>
</tr>
</tbody>
</table>

**Selected financial ratios (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Group</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total share capital</td>
<td>1.81</td>
<td>1.81</td>
<td>1.24</td>
<td>1.21</td>
<td>1.20</td>
<td></td>
</tr>
<tr>
<td>Net asset value</td>
<td>0.87</td>
<td>1.23</td>
<td>1.20</td>
<td>1.43</td>
<td>1.43</td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>2.17</td>
<td>2.08</td>
<td>2.00</td>
<td>1.79</td>
<td>1.17</td>
<td></td>
</tr>
<tr>
<td>Net interest margin</td>
<td>1.45</td>
<td>1.62</td>
<td>1.89</td>
<td>1.85</td>
<td>1.75</td>
<td></td>
</tr>
<tr>
<td>Cost-to-income</td>
<td>45.2</td>
<td>42.2</td>
<td>43.0</td>
<td>44.0</td>
<td>43.0</td>
<td></td>
</tr>
<tr>
<td>Return on assets</td>
<td>1.02</td>
<td>0.75</td>
<td>1.13</td>
<td>1.06</td>
<td>0.89</td>
<td></td>
</tr>
<tr>
<td>Return on equity</td>
<td>12.5</td>
<td>9.1</td>
<td>13.2</td>
<td>12.1</td>
<td>9.7</td>
<td></td>
</tr>
<tr>
<td>Loan deposit ratio</td>
<td>81.5</td>
<td>79.8</td>
<td>88.5</td>
<td>87.6</td>
<td>86.5</td>
<td></td>
</tr>
<tr>
<td>Non-performing loan ratio</td>
<td>2.08</td>
<td>1.89</td>
<td>1.85</td>
<td>1.75</td>
<td>1.75</td>
<td></td>
</tr>
<tr>
<td>Loss allowance coverage</td>
<td>110</td>
<td>110</td>
<td>94</td>
<td>98</td>
<td>85</td>
<td></td>
</tr>
</tbody>
</table>

**Capital adequacy**

<table>
<thead>
<tr>
<th>Year</th>
<th>Group</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Equity Tier 1</td>
<td>14.4</td>
<td>13.9</td>
<td>14.1</td>
<td>13.9</td>
<td>14.3</td>
<td></td>
</tr>
<tr>
<td>Tier 1</td>
<td>15.1</td>
<td>15.0</td>
<td>15.0</td>
<td>15.1</td>
<td>15.1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>17.0</td>
<td>16.8</td>
<td>16.7</td>
<td>16.9</td>
<td>15.9</td>
<td></td>
</tr>
<tr>
<td>Basel III fully phased-in Common Equity Tier 1</td>
<td>14.4</td>
<td>13.9</td>
<td>14.1</td>
<td>13.9</td>
<td>13.9</td>
<td></td>
</tr>
</tbody>
</table>

**One-time items** include gain recognised on completion of Shenzhen Rural Commercial Bank acquisition, Corporate Social Responsibility commitment to DBS Foundation and other charitable causes, impact from remeasurement of deferred taxes due to a change in the applicable tax rate arising from the conversion of India Branch to a wholly-owned subsidiary, gains from divestment of subsidiary, general allowances and ANZ integration costs.

**Excludes one-time items**

**Calculated based on net profit attributable to the shareholders net of dividends on preference shares and other equity instruments. Non-controlling interests, preference shares and other equity instruments are not included in equity in the computation of return on equity.**

**Calculated by dividing Common Equity Tier 1 capital after all regulatory adjustments (e.g., goodwill) applicable from 1 January 2018 by RWA as at each reporting date.**

## Board of Directors

### Peter Seah Lim Huat, 75

**Chairman**

Non-Executive and Non-Independent Director

**Past directorships:**

- **Other listed companies**
  - Singapore Airlines Limited

### Piyush Gupta, 62

**Chief Executive Officer**

**Executive Director**

**Past Graduate Diploma in Management**

Indian Institute of Management, Ahmadabad, India

**Bachelor of Arts, Economics**

University of Delhi, India

**Present directorships:**

- **Other listed companies**
  - Fullerton Financial Holdings Pte. Ltd.
  - STT Communications Ltd
  - LaSalle College of the Arts Limited
  - Council of Prudential Advisers

### Present directorships:

- **Other principal commitments**
  - DBS Bank Ltd.
  - DBS Bank (Hong Kong) Limited
  - GIC Private Limited
  - STT Communications Ltd
  - Fullerton Financial Holdings Pte. Ltd.
  - LaSalle College of the Arts Limited
  - Council of Prudential Advisers

### Past directorships in listed companies held over the preceding five years:

- **Level 3 Communications Inc**

### Board of Directors as at 10 February 2022

**Members**

- **Peter Seah Lim Huat, 75**
  - Chairman
  - Non-Executive and Non-Independent Director

- **Piyush Gupta, 62**
  - Chief Executive Officer
  - Executive Director

**Other principal commitments**

- **DBS Bank Ltd.**
  - Chairman
  - Director
  - Deputy Chairman
  - Chairman
  - Member

**Past directorships in listed companies held over the preceding five years:**

- **Level 3 Communications Inc**
Ph.D and MS in Computer Science, specialising in Artificial Intelligence
University of Southern California, USA

Bachelor of Science in Computer Science and Statistics
Seoul National University, South Korea

Date of first appointment as Director: 26 April 2018
Date of last re-election as Director: 25 April 2019
Length of service as Director: 3 years 10 months

Present directorships:
Other listed companies
• Nil
Other principal commitments
• DBS Bank Ltd.
  Director
• Equalkey Corporation
  Founder & Chief Executive Officer
  Advisory Board
• AMO Labs Pte. Ltd.
  Member, Advisory Board

Past directorships in listed companies held over the preceding five years:
• Nil

Olivier Lim Tse Ghow, 57
Non-Executive and Lead Independent Director

Bachelor of Engineering (First Class Honours), Civil Engineering
Imperial College, London, UK

Date of first appointment as Director: 7 November 2017
Date of appointment as Lead Independent Director: 29 April 2020
Date of last re-election as Director: 30 April 2020
Length of service as Director: 4 years 3 months

Present directorships:
Other listed companies
• Raffles Medical Group Ltd.
  Director
Other principal commitments
• DBS Foundation Ltd.
  Director
• Certis CISCO Security Pte. Ltd.
  Chairman, Board Member
• PropertyGuru Pte. Ltd.
  Member, Board of Trustees
• Singapore Management University
  Member, Board of Trustees

Past directorships in listed companies held over the preceding five years:
• Banyan Tree Holdings Limited
  Director

Sloan Masters Programme with a Master of Science in Management
Stanford University, USA

Master of Engineering and Bachelor of Arts (First Class Honours)
University of Cambridge, UK

Date of first appointment as Director: 31 March 2021
Date of last re-election as Director: Not applicable
Length of service as Director: 11 months

Present directorships:
Other listed companies
• Nil
Other principal commitments
• DBS Bank Ltd.
  Director, Second Permanent Secretary, Advisory Board Member, New Energies Advisory Board Member, Board of Trustees Board Member
• The Smart Nation and Digital Government Group
• Singapore Symphony Company Limited
• Shell Gas & Power Development B.V.
• Singapore University of Technology and Design
• The Government Technology Agency of Singapore

Past directorships in listed companies held over the preceding five years:
• Nil

Chng Kai Fong, 43
Non-Executive and Non-Independent Director

Sloan Masters Programme with a Master of Science in Management
Stanford University, USA

Master of Engineering and Bachelor of Arts (First Class Honours)
University of Cambridge, UK

Date of first appointment as Director: 26 April 2018
Date of last re-election as Director: 25 April 2019
Length of service as Director: 3 years 10 months

Present directorships:
Other listed companies
• Nil
Other principal commitments
• DBS Bank Ltd.
  Director
• The Smart Nation and Digital Second Permanent Government Group
  Secretary
• Singapore Symphonia Company Limited
  Director
• Shell Gas & Power Development B.V.
• Singapore University of Technology and Design
• The Government Technology Agency of Singapore

Past directorships in listed companies held over the preceding five years:
• Nil

Bonghan Cho, 57
Non-Executive and Independent Director

Ph.D and MS in Computer Science, specialising in Artificial Intelligence
University of Southern California, USA

Bachelor of Science in Computer Science and Statistics
Seoul National University, South Korea

Date of first appointment as Director: 30 April 2020
Date of last re-election as Director: 30 April 2020
Length of service as Director: 10 years 10 months

Present directorships:
Other listed companies
• Nil
Other principal commitments
• DBS Bank Ltd.
  Director
• Fullerton Fund Management Company Ltd
  Chairman
• Fullerton Investment Management (Shanghai) Co., Ltd.
  Chairman
• FPMC Holdings Pte. Ltd.
  Director
• Mount Alvernia Hospital
  Chairman
• Pavilion Capital Holdings Pte. Ltd.
  Director
• Sevora Holdings Pte. Ltd.
  Director
• Blue Edge Advisors Pte. Ltd.
  Investment Advisor
• Urban Redevelopment Authority
  Member, Finance Investment Committee

Past directorships in listed companies held over the preceding five years:
• AushNet Services Ltd
  Director

Ho Tian Yee, 69
Non-Executive and Non-Independent Director

Sloan Masters Programme with a Master of Science in Management
Stanford University, USA

Master of Engineering and Bachelor of Arts (First Class Honours)
University of Cambridge, UK

Date of first appointment as Director: 29 April 2011
Date of last re-election as Director: 30 April 2020
Length of service as Director: 10 years 10 months

Present directorships:
Other listed companies
• Nil
Other principal commitments
• DBS Bank Ltd.
  Director
• Fullerton Fund Management Company Ltd
  Chairman
• Fullerton Investment Management (Shanghai) Co., Ltd.
  Chairman
• FFMC Holdings Pte. Ltd.
  Chairman
• Mount Alvernia Hospital
  Chairman
• Pavilion Capital Holdings Pte. Ltd.
  Director
• Sevora Holdings Pte. Ltd.
  Director
• Blue Edge Advisors Pte. Ltd.
  Investment Advisor
• Urban Redevelopment Authority
  Member, Finance Investment Committee

Past directorships in listed companies held over the preceding five years:
• AusNet Services Ltd
  Director
Punita Lal, 59
Non-Executive and Independent Director

Master of Business Administration
Indian Institute of Management, Calcutta, India

Bachelor of Arts, Economics (Honours)
St. Stephen’s College, Delhi, India

Date of first appointment as Director: 1 April 2020
Date of last re-election as Director: 30 March 2021
Length of service as Director: 1 year 10 months

Present directorships:
Other listed companies
• Cipla Limited Director
• Capillary Technologies International Pte. Ltd. Advisor

Other principal commitments
• DBS Bank Ltd. Director
• Life Style International Private Limited Director
• Cargill A/S Observer, Global Supervisory Board

Past directorships in listed companies held over the preceding five years:
• CEAT Limited Director
• Entertainment Network (India) Ltd. Director

Past directorships in listed companies held over the preceding five years:
• Nil

Judy Lee, 63
Non-Executive and Independent Director

Master of Business Administration
The Wharton School of the University of Pennsylvania, USA

Bachelor of Science, Finance & International Business
Stern Business School, New York University, USA

Advanced Management Program
Women on Boards – Corporate Director Program
Harvard Business School, USA

Date of first appointment as Director: 4 August 2021
Date of last re-election as Director: Not applicable
Length of service as Director: 6 months

Present directorships:
Other listed companies
• Commercial Bank of Ceylon PLC Director

Other principal commitments
• DBS Bank Ltd. Director
• Dragonfly LLC Managing Director
• Dragonfly Advisors Pte. Ltd. Managing Director
• Dragonfly Capital Ventures LLC Chief Executive Officer

Past directorships in listed companies held over the preceding five years:
• Nil

Anthony Lim Weng Kin, 63
Non-Executive and Independent Director

Bachelor of Science
National University of Singapore

Advanced Management Program
Harvard Business School, USA

Date of first appointment as Director: 1 April 2020
Date of last re-election as Director: 30 March 2021
Length of service as Director: 1 year 10 months

Present directorships:
Other listed companies
• CapitalLand Investment Limited Director

Other principal commitments
• DBS Bank Ltd. Director
• CapitalLand Hope Foundation Director, Member, Committee
• Institute of International Education (IIE) Scholar Rescue Fund Non-Resident Ambassador to Colombia
• Ministry of Foreign Affairs, Singapore

Past directorships in listed companies held over the preceding five years:
• CapitalLand Limited(1) Director
• Vista Oil & Gas S.A.B. de C.V. Director

(1) CapitalLand Limited was delisted from the official list of the Singapore Exchange Securities Trading Limited on 21 September 2021

Tham Sai Choy, 62
Non-Executive and Independent Director

Bachelor of Arts (Honours) in Economics
University of Leeds, UK

Fellow
Institute of Chartered Accountants in England and Wales
Institute of Singapore Chartered Accountants
Singapore Institute of Directors

Date of first appointment as Director: 3 September 2018
Date of last re-election as Director: 25 April 2019
Length of service as Director: 3 years 5 months

Present directorships:
Other listed companies
• Keppel Corporation Limited Director

Other principal commitments
• DBS Bank Ltd. Director
• DBS (China) Limited Director
• DBS Foundation Ltd. Director
• Nanyang Polytechnic Board Member
• Mount Alvernia Hospital Board Member
• Singapore International Arbitration Centre Director
• E M Services Private Limited Chairman
• Keppel Offshore & Marine Ltd Director

Past directorships in listed companies held over the preceding five years:
• Nil
Piyush Gupta*

Chief Executive Officer

Piyush has been the Chief Executive Officer and Director of DBS since January 2009. Prior to joining DBS, Piyush had a 27-year career in Asia, Europe and the US, where he was Chief Executive Officer for Southeast Asia, Australia and New Zealand. Piyush is Vice-Chairman of the Institute of International Finance, Washington, and the World Business Council for Sustainable Development (MBCSD) Executive Committee. In addition, he is a member of Singapore’s Advisory Council on the Ethical Use of AI and Data, Singapore Management University’s Board of Trustees, and Brotton Woods Committee’s Advisory Council. Piyush sits on the boards of Enterprise Singapore, National Research Foundation Singapore, and the Council for Board Diversity established by Singapore’s Ministry of Social and Family Development. He is a term trustee of the Singapore Indian Development Association. Previously, he was a member of the Singapore Emerging Economy Board, which aimed at defining Singapore’s future in a post-Covid world, the UPI Secretariat’s Gen Task Force on Digital, 5G, AI & Cybersecurity, and the McKinsey Advisory Council. Piyush was named one of the world’s top 100 performing CEOs by the Asian Banker’s 2019 edition of “The CEO 100.” In 2020, he was awarded the Public Service Star by President Halim for his meritorious service to the nation. He is the Governor of the Singapore Institute of Management University for six years. He was recently named COO for the Singapore Accountancy Awards (2002), Asian Banker’s Manager of the Year (2002), and Singapore Accountancy Award’s (2014). He also served as the Chair of the International Women’s Forum Singapore.

Eng-Kwok Seat Moey

Capital Markets

Seat Moey is Group Head of Capital Markets. With more than 30 years of experience in investment banking, he oversees and supervises several teams on advisory and corporate finance, as well as structuring and execution of all equity transactions including corporate equity fund raising, REITs/ Business Trusts and IPOs. Seat Moey’s extensive experience also includes restructuring and originating debt and equity-linked debt issues and structured finance. He is the Chair of the Institute of International Finance, a member of the International Capital Markets Committee, and a Fellow Chartered Financial Analyst (CFA) and Distinguished Fellow of Singapore Accountancy. Seat Moey was a member of the International Capital Markets Committee, and a Fellow Chartered Financial Analyst (CFA) and Distinguished Fellow of Singapore Accountancy.

Lim Him Chuan

Taiwan

Him Chuan is Chief Executive Officer of DBS Taiwan. Prior to this, he was Group Head of Product Management for DBS Global Transaction Services, responsible for the banks’ cash management and trade finance businesses. Under his leadership, the business registered robust growth with a strong focus on product digitization and significant improvements in the Greenwash Customer Satisfaction survey.

Han Kwee Juan

Strategy & Planning

Kwee Juan is Group Head of Strategy and Planning. In this role, he works with the Group CEO and Group Management Committee (GMC) to develop strategies to drive growth and valuation for shareholders. He also oversees strategy management, and leads the implementation of these strategies across the Group.

Marco Vasapollo

Chief Executive Officer

Vasapollo has been the Chief Executive Officer since February 2021. Previously, he was a member of the Group Management Committee (GMC) and he has also served as Head of the Strategy, Risk and Compliance function.

Lim Kim Hong

Corporate Banking

Kim Hong is the Head of Corporate Banking. Under his leadership, corporate banking has achieved robust performance with strong growth in business, loan growth, margins, and the quality of the loan book. Under his leadership, the business has also been the leader for profitability and asset quality across the Group.

 usado Nga*

Treasury & Markets

Nga is Head of Treasury and Markets. He is also the Chairman and Director of DBS Bank Taiwan, and Director of DBS China. Andrew’s experience in the financial services industry spans over 34 years, comprising senior positions in Asia and Western markets. Since 2006, Andrew has been instrumental in leading DBS Treasury and Markets expansion in the region. In addition, he helped build a pan-Asia trading platform on different asset classes and established a region-wide local currencies derivative capability for the bank. He has also expanded DBS capabilities in generic and exotic derivatives.

Lee Yan Hong

Human Resources

Yan Hong is Managing Director and Head of Human Resource Management. He has over 34 years, comprising senior positions in many countries across regions in Asia. In his current role, he is responsible for the overall human resource strategy and execution of the bank’s human resource strategy. Prior to this, he was also the head of the Bancassurance business at DBS in China.
**INTL000000**

**INTERNA TIONAL PRESENCE**

**Singapore**

DBS Bank (DBS Bank) (DBS Bank) 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 019892 Tel: (65) 6878 8888 Fax: (65) 6338 8936

DBS Nominees (Private) Limited 5 Toh Guan Road, #04-11 Marina Bay Financial Centre Tower 3 Singapore 019892 Tel: (65) 6878 8888 Fax: (65) 6338 8936

DBS Trustee Limited 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 019892 Tel: (65) 6878 8888

DBS Vickers Securities (Singapore) Pte Ltd 12 Marina Boulevard #10-01 Marina Bay Financial Centre Tower 3 Singapore 019892 Tel: (65) 6327 2288

**Australia**

DBS Bank Australia Branch Suite 1901, Level 19, Citiflay Tower 2 Citiflay Square, Sydney NSW 2000 Australia Tel: (61) 2 8823 9300 Fax: (61) 2 6633 9501

**China**

DBS Bank (China) Limited Units 1301, 1306, 1701 & 1801 DBS Bank Tower No. 1518 Lupujiang Ring Road Pudong New Area, Shanghai 200120 People’s Republic of China Tel: (86 21) 3596 8888 Fax: (86 21) 3896 8898

DBS Securities (China) Co., Ltd. UH 01, 02, 99, BFC Block 50-60 Zhongshan No.2 Road (B1) Huangpu, Shanghai People’s Republic of China Tel: (86 21) 3566 2888 Fax: (86 21) 6315 0977 51% owned by DBS Bank

**Hong Kong**

DBS Bank (Hong Kong) Limited 11th Floor, The Center 99 Queen’s Road Central Hong Kong Tel: (852) 2290 8888

DBS Bank Hong Kong Branch 18th Floor, The Center 99 Queen’s Road Central Hong Kong Tel: (852) 3668 1900 Fax: (852) 2596 0577

Three named by * are also in the Group Executive Committee

**INTERNATIONAL PRESENCE**

**Paulus Sutisna**

Indonesia

Paulus is President Director of PT Bank DBS Indonesia with more than 10 years of banking experience. He is responsible for driving business growth in Indonesia. Previously, he was Head of Client Management of Global Banking at HSBC Indonesia. Prior to that, he was at Citibank for 24 years in various roles, including Managing Director and Head of the Multinational Franchise in Indonesia. He also worked at Cit in Amsterdam from 1999 to 2002.

Paulus completed his studies in Computer Science from University of Technology, Sydney, Australia. He received SW Magazine’s “Best CEO Award” and Infolink Magazine’s “Indonesia’s Top 100 Bankers Award” in 2017. In 2019 and 2021, Warta Bionomi named him one of Indonesia’s Most Admired CEOs. In 2020, he was also named by one of the leading business publications, Warta Bionomi, as Indonesia’s Financial Top Leader. Infolink, a banking publication in Indonesia, named him “Banker of the Year 2021”.

**Tan Su Shan**

Institutional Banking

Su Shan is Group Head of Institutional Banking at DBS and President for Citigroup for PT Bank DBS Indonesia. She was previously Group Head of Consumer Banking and Wealth Management at DBS for almost a decade. In 2019, The Asset named Su Shan as one of six women in Asia likely to influence and shape the banking and associated financial services industry in Asia. In 2018, she was nominated by Forbes Magazine as a “Top 25 emergent Asian Woman Business leader”. In 2014, she became the first Singaporean to be recognised as the world’s “Best Leader in Private Banking” by The Banker’s Private Wealth Management, a wealth publication by the Financial Times Group. She has also served as a Nominated Member of Parliament in Singapore.

Su Shan is an independent board director of Maplinnix North Asia Commercial Trust and Aetos Holdings, both Temasek linked entities, as well as a board member of Central Provident Fund Board (CPF Board). On the education front, she is an advisor to Hwa Chong Institution and Lincoln College at Oxford University. She was also the Founder President of the financial Women’s Association in Singapore, a non-profit organisation she founded and pioneered in 2001, to help develop and mentor women in the financial industry.

**Surojit Sutisna**

India

Surojit is the Chief Executive Officer of DBS Bank India Limited. Surojit has over 30 years of banking experience across corporate and investment banking, capital markets and consumer banking. Before joining DBS, he was Chief Executive Officer of Rabobank India. Prior to that, he worked for over 19 years at Citibank in various roles across consumer and wholesale banking. He subsequently headed the investment banking division at Lehman Brothers in India.

Surojit holds a post-graduate management degree in marketing and finance from Indian School of Management (ISI), Jamshedpur and a Bachelor of Science degree in Economics, Mathematics and Statistics from Presidency College, Kolkata. Surojit has also attended the Executive Development Program at The Wharton School in 2004 and the Rabobank Senior Leadership Program at the Harvard Business School in 2011.

**KAREN NGU**

Strategic Marketing & Communications

Karen is Head of Group Strategic Marketing & Communications, and Board member of DBS Foundation. She is responsible for corporate communications, brand management, strategic, marketing, internal communications and sponsorships. She also oversees the bank’s sustainability efforts in corporate volunteerism and champions social enterprises through the DBS Foundation. She leads media and issues management efforts across the DBS Group. In addition, she is responsible for managing and enhancing the bank’s brand positioning across all businesses and markets, including Singapore, Greater China, South and Southeast Asia.

She has over 30 years of experience in corporate branding, marketing and communications for financial institutions, and joined DBS from Standard Chartered Bank where she was Global Head, Brand and Strategic Marketing.

**Sebastian Paredes**

Hong Kong

Sebastian is Chief Executive Officer of DBS Bank (Hong Kong) and Non-Executive Director of DBS Bank (China) Limited. With over 30 years of experience in the industry, Sebastian has found much success in building franchises across various markets. His experience in laying the groundwork across regions has led him to manage complex structures during times of economic volatility. Formerly President Director of PT Bank Danamon, Indonesia, Sebastian solidified the bank’s position in retail, SME and commercial banking and created opportunities in new businesses in consumer finance and micro lending. Sebastian also spent 20 years at Citigroup as Country Head of Ecuador, Honduras, Turkey and Indonesia, and was also the Chief Executive Officer of Sub-Saharan Africa.

**Shee Tse Koon**

Singapore

Shee Tse Koon is Country Head of DBS Singapore. Prior to this, he was Group Head of Strategy and Planning where he oversaw regional strategy across the Bank. Shee Tse Koon has close to 30 years of experience in the banking industry. He started his career at Standard Chartered and has held senior positions in a diverse range of roles across various front and back office functions. He has worked in several countries in Asia, the Middle East and the United Kingdom. Prior to joining DBS, he was the CEO of the Government of India’s wholly-owned financial enterprise, National Bank of India. Prior to that, he was the head of NDCP and the Leader of the Centre promoting Indian banking and intermediation, leading the investment division in Lehman Brothers in India.

Shee Tse Koon holds a post-graduate management degree in marketing and finance from AIMS Business School (AIMS), Jamshedpur and a Bachelor of Science degree in Economics, Mathematics and Statistics from Presidency College, Kolkata. Shee Tse Koon has also attended the Executive Development Program at The Wharton School in 2004 and the Rabobank Senior Leadership Program at the Harvard Business School in 2011.
### GLOBAL

- **World’s Best Bank**
  - Euromoney

- **Global Bank of the Year**
  - The Banker

- **World’s Best Digital Bank**
  - Euromoney

- **Most Innovative in Digital Banking**
  - The Banker

- **World’s Safest Commercial Bank**
  - Global Finance

- **Cash Management Survey: Global Best Service Overall (Non-FIs): #1, 2018 – 2021**
  - Euromoney

- **Leader in Trade for Digitalisation**
  - Global Trade Review

- **Outstanding Leadership in Sustainable Project Finance – Global**
  - Global Finance

- **Investment Bank of the Year for Emerging Markets**
  - The Banker

- **Most Innovative Private Bank in the World**
  - Global Finance

- **Gender Equality Index – Index Constituent, 2018 – 2022**
  - Bloomberg

- **The Sustainability Yearbook – Index Constituent**
  - S&P

- **FTSE4Good – Index Constituent, 2017 – 2021**
  - FTSE Russell

- **Behind the Login: Best Digital Portal for Wealth Clients (DBS digibank)**
  - Cutter Wealth

- **Winner: Finance Apps (DBS PayLah!)**
  - Shorty Awards

### REGIONAL

- **FutureEdge 50 Honoree (DBS Digital Exchange)**
  - IDG

- **Honoree: Video (Branded Entertainment) – CSR (DBS SPARKS Season 2)**
  - Webby Awards

- **Purpose Driven Communications – Highly Commended (DBS Towards Zero Food Waste)**
  - Reuters Next

- **Modern Intranet of the Year (DBS Intranet)**
  - Digital Workplace Group

- **Best Bank, Asia**
  - Euromoney

- **Asia’s Safest Bank, 2009 – 2021**
  - Global Finance

- **Best Investment Bank (Asia-Pacific), 2019 – 2021**
  - Global Finance

- **Best Asian Investment Bank**
  - GlobalCapital Asia

- **Best Financial Adviser, Asia-Pacific**
  - IJGlobal

- **Best Loan Adviser**
  - The Asset

- **SME Financier of the Year – Asia (Silver)**
  - SME Finance Forum

- **Best Asian Private Bank, 2020 – 2021**
  - Asiamoney

- **Best Private Bank for Family Offices Asia**
  - The Banker/Professional Wealth Management

- **Best Loan Adviser**
  - The Asset

- **SME Financier of the Year – Asia (Silver)**
  - SME Finance Forum

- **Best Asian Private Bank, 2020 – 2021**
  - Asiamoney

- **Best Private Bank for Family Offices Asia**
  - The Banker/Professional Wealth Management

- **Most Innovative In-House Legal Team Asia-Pacific, 2020 – 2021**
  - Financial Times

- **Real Estate Survey: Asia-Pacific Banks (Overall): #1**
  - Euromoney

- **Asian Excellence Award**
  - Singapore Corporate Awards

- **Best Loan Adviser**
  - The Asset

- **SME Financier of the Year – Asia (Silver)**
  - SME Finance Forum

- **Best Asian Private Bank, 2020 – 2021**
  - Asiamoney

- **Best Private Bank for Family Offices Asia**
  - The Banker/Professional Wealth Management

- **Most Innovative In-House Legal Team Asia-Pacific, 2020 – 2021**
  - Financial Times

- **Real Estate Survey: Asia-Pacific Banks (Overall): #1**
  - Euromoney

- **Asian Excellence Award**
  - Singapore Corporate Awards

### SINGAPORE

- **Best Bank, Singapore**
  - Asiamoney, The Banker, Euromoney, FinanceAsia, Global Finance

- **Best Digital Bank, Singapore**
  - Asiamoney, The Asset, Global Finance (Corporate + Consumer)

- **Corporate Excellence and Resilience Award**
  - Singapore Corporate Awards

- **Best Sustainable Bank, Singapore**
  - FinanceAsia

- **President’s Award for the Environment**
  - Ministry of Sustainability and the Environment

- **Charity Platinum Award**
  - Community Chest

- **Work-life Excellence Award**
  - Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP)

- **Singapore Good Design Mark**
  - Design Business Chamber Singapore
SHARE PRICE

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Low</th>
<th>Close</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>25.30</td>
<td>17.32</td>
<td>24.85</td>
<td>20.80</td>
</tr>
<tr>
<td>2018</td>
<td>30.84</td>
<td>22.80</td>
<td>23.69</td>
<td>26.36</td>
</tr>
<tr>
<td>2019</td>
<td>28.40</td>
<td>23.09</td>
<td>25.88</td>
<td>25.42</td>
</tr>
<tr>
<td>2021</td>
<td>32.78</td>
<td>25.04</td>
<td>32.66</td>
<td>29.56</td>
</tr>
</tbody>
</table>

FINANCIAL CALENDAR

2022

14 February
2021 Full Year Results

31 March
23rd Annual General Meeting

29 April
2022 First Quarter trading update

On or about 22 April
Payment date of Final Dividend on Ordinary Shares for the financial year ended 31 December 2021*

4 August
2022 Second Quarter/ First Half Results

3 November
2022 Third Quarter trading update

2023

February
2022 Full Year Results

31 March
23rd Annual General Meeting

29 April
2022 First Quarter trading update

On or about 22 April
Payment date of Final Dividend on Ordinary Shares for the financial year ended 31 December 2021*

4 August
2022 Second Quarter/ First Half Results

3 November
2022 Third Quarter trading update

* Subject to shareholders’ approval at the 23rd Annual General Meeting

Financial Ratios:

- Gross dividend yield (%)(1): 4.5, 4.6, 4.8, 4.0, 4.1
- Price-to-earnings ratio (number of times)(2): 12.3, 12.2, 10.3, 12.1, 11.3
- Price-to-book ratio (number of times)(3): 1.2, 1.5, 1.3, 1.1, 1.4

(1) Based on ordinary dividends declared/recommended for the financial year
(2) Earnings exclude one-time items
(3) Based on year-end book value

Calculated based on average share price for the calendar year

* Subject to shareholders’ approval at the 23rd Annual General Meeting

* Subject to shareholders’ approval at the 23rd Annual General Meeting
SHAREHOLDING STATISTICS as at 10 February 2022

Class of Shares – Ordinary shares
Voting Rights – One vote per share
Total number of issued ordinary shares – 2,568,342,107 (excluding treasury shares)
Treasury Shares – 19,275,518 (representing 0.75% of the total number of issued ordinary shares, excluding treasury shares)

<table>
<thead>
<tr>
<th>Size of Shareholdings</th>
<th>No. of Shareholders</th>
<th>No. of Shares</th>
<th>%*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 99</td>
<td>10,081</td>
<td>318,148</td>
<td>0.01</td>
</tr>
<tr>
<td>100 – 1,000</td>
<td>36,706</td>
<td>17,102,526</td>
<td>0.67</td>
</tr>
<tr>
<td>1,001 – 10,000</td>
<td>30,871</td>
<td>94,917,028</td>
<td>3.69</td>
</tr>
<tr>
<td>10,001 – 1,000,000</td>
<td>4,477</td>
<td>147,358,610</td>
<td>5.74</td>
</tr>
<tr>
<td>1,000,001 &amp; above</td>
<td>28</td>
<td>2,308,645,795</td>
<td>89.89</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>83,063</td>
<td>2,568,342,107</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Location of Shareholders

<table>
<thead>
<tr>
<th>Location</th>
<th>No. of Shareholders</th>
<th>No. of Shares</th>
<th>%*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>79,709</td>
<td>2,551,066,948</td>
<td>99.33</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2,155</td>
<td>11,449,374</td>
<td>0.44</td>
</tr>
<tr>
<td>Overseas</td>
<td>1,199</td>
<td>5,825,785</td>
<td>0.23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>83,063</td>
<td>2,568,342,107</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Twenty largest shareholders
(as shown in the register of members and depository register)

<table>
<thead>
<tr>
<th>Name of Shareholders</th>
<th>No. of Shares</th>
<th>%*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 CITIBANK NOMINEES SINGAPORE PTE LTD</td>
<td>503,322,111</td>
<td>19.60</td>
</tr>
<tr>
<td>2 MAJU HOLDINGS PTE LTD.</td>
<td>458,899,869</td>
<td>17.87</td>
</tr>
<tr>
<td>3 DBISN SERVICES PTE LTD</td>
<td>301,674,375</td>
<td>11.75</td>
</tr>
<tr>
<td>4 TEMASEK HOLDINGS (PRIVATE) LIMITED</td>
<td>284,145,301</td>
<td>11.06</td>
</tr>
<tr>
<td>5 HSBC (SINGAPORE) NOMINEES PTE LTD</td>
<td>233,416,826</td>
<td>9.09</td>
</tr>
<tr>
<td>6 RAFFLES NOMINEES (PTE) LIMITED</td>
<td>232,438,443</td>
<td>9.05</td>
</tr>
<tr>
<td>7 DBS NOMINEES PTE LTD</td>
<td>187,473,649</td>
<td>7.30</td>
</tr>
<tr>
<td>8 BPSS NOMINEES SINGAPORE (PTE) LTD,</td>
<td>23,023,189</td>
<td>0.90</td>
</tr>
<tr>
<td>9 LEE FOUNDATION</td>
<td>11,512,813</td>
<td>0.45</td>
</tr>
<tr>
<td>10 DBS VICKERS SECURITIES (SINGAPORE) PTE LTD</td>
<td>10,494,270</td>
<td>0.41</td>
</tr>
<tr>
<td>11 UNITED OVERSEAS BANK NOMINEES PTE LTD</td>
<td>9,335,874</td>
<td>0.36</td>
</tr>
<tr>
<td>12 BNP PARIBAS NOMINEES SINGAPORE PTE LTD</td>
<td>7,157,116</td>
<td>0.28</td>
</tr>
<tr>
<td>13 OCBC NOMINEES SINGAPORE PTE LTD</td>
<td>5,487,575</td>
<td>0.21</td>
</tr>
<tr>
<td>14 DE NOMINEES (SINGAPORE) PTE LTD</td>
<td>5,327,072</td>
<td>0.21</td>
</tr>
<tr>
<td>15 OCBC SECURITIES PRIVATE LTD</td>
<td>4,871,338</td>
<td>0.19</td>
</tr>
<tr>
<td>16 PHILIP SECURITIES PTE LTD</td>
<td>4,572,108</td>
<td>0.18</td>
</tr>
<tr>
<td>17 MRS LEE LIM NEE ONG</td>
<td>4,003,670</td>
<td>0.17</td>
</tr>
<tr>
<td>18 MERRILL LYNCH (SINGAPORE) PTE LTD</td>
<td>3,550,876</td>
<td>0.14</td>
</tr>
<tr>
<td>19 UOB KAY HAN PTE LTD</td>
<td>2,754,871</td>
<td>0.11</td>
</tr>
<tr>
<td>20 IFAST FINANCIAL PTE LTD</td>
<td>2,383,245</td>
<td>0.09</td>
</tr>
</tbody>
</table>

**Total** | 2,296,149,591 | 89.42 |

* Percentage is calculated based on the total number of issued ordinary shares, excluding treasury shares

Substantial shareholders

<table>
<thead>
<tr>
<th>Name of Shareholders</th>
<th>No. of Shares</th>
<th>%*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maju Holdings Pte. Ltd.</td>
<td>458,899,869</td>
<td>17.87</td>
</tr>
<tr>
<td>Temasek Holdings (Private) Limited</td>
<td>284,145,301</td>
<td>760,919,357</td>
</tr>
</tbody>
</table>

* Percentage is calculated based on the total number of issued ordinary shares, excluding treasury shares

1. Maju Holdings Pte. Ltd. ("Maju") is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("Temasek").
2. Temasek, a company wholly-owned by the Minister for Finance, is deemed to be interested in all the ordinary shares held by Maju.
3. In addition, Temasek is deemed to be interested in 17,874,187 ordinary shares in which its other subsidiaries have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act 2001.

As at 10 February 2022, approximately 70.23% of the issued ordinary shares of DBS Group Holdings Ltd are held by the public and, therefore, Rule 723 of the SGX Listing Manual is complied with.
**NOTICE OF ANNUAL GENERAL MEETING**

**DBS GROUP HOLDINGS LTD** (incorporated in the Republic of Singapore)  
Company Registration No.: 199901152M  

NOTICE IS HEREBY GIVEN that the 23rd Annual General Meeting of the shareholders of DBS Group Holdings Ltd (the "Company" or "DBSH") will be convened and held by way of electronic means on Thursday, 31 March 2022 at 2:00 p.m. (Singapore time) to transact the following business:

### Routine Business

<table>
<thead>
<tr>
<th>Ordinary Resolution No.</th>
<th>Routine Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resolution 1</td>
<td>To receive and adopt the Directors’ Statement and Audited Financial Statements for the year ended 31 December 2021 and the Auditor’s Report thereon.</td>
</tr>
</tbody>
</table>
| Resolution 2 | To declare a one-tier dividend of 36 cents per ordinary share for the year ended 31 December 2021. 
(2020: Final Dividend of 18 cents per ordinary share, one tier tax exempt) |
| Resolution 3 | To approve the amount of SGD 4,266,264 proposed as non-executive Directors’ remuneration for the year ended 31 December 2021. 
(2020: SGD 4,101,074) |
| Resolution 4 | To re-appoint Messrs PricewaterhouseCoopers LLP as Auditor of the Company and to authorise the Directors to fix its remuneration. |
| Resolution 5 | To re-elect the following Directors, who are retiring under article 99 of the Company’s Constitution and who, being eligible, offer themselves for re-election: 
(i) Dr Bonghan Cho |
(ii) Mr Olivier Lim Tse Ghaw |
(iii) Mr Tham Sai Choy |

*Key information on Mr Chng and Ms Lee can be found on pages 192, 194 and 214 to 217 respectively of the 2021 Annual Report.* |
| Resolution 6 | To re-elect the following Directors, who are retiring under article 105 of the Company’s Constitution and who, being eligible, offer themselves for re-election: 
(i) Mr Chong Kai Fong |
(ii) Ms Judy Lee |

*Key information on Mr Chng and Mr Lee can be found on pages 192, 194 and 214 to 217 respectively of the 2021 Annual Report.* |

### Special Business

<table>
<thead>
<tr>
<th>Ordinary Resolution No.</th>
<th>Special Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resolution 10</td>
<td>(b) the aggregate number of new Ordinary Shares under awards to be granted pursuant to the DBSH Share Plan (including the California sub-plan to the DBSH Share Plan) during the period commencing from the date of this Annual General Meeting of the Company and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 1% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time, and in this Resolution, “subsidiary holdings” has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited.</td>
</tr>
</tbody>
</table>

That authority be and is hereby given to the Directors of the Company to offer and grant awards and to allot and issue from time to time such number of ordinary shares of the Company as may be required to be issued pursuant to the vesting of such awards, to participants who are residents of the state of California in the United States of America, in accordance with the provisions of the DBSH Share Plan and the California sub-plan to the DBSH Share Plan.

That authority be and is hereby given to the Directors of the Company to: 
(a) (i) issue shares of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or 
(ii) make or grant offers, agreements or options (collectively, “Instrument”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and 
(b) notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors whilst this Resolution was in force, provided that: 
(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall be less than 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares that may be issued under paragraph (1) above, of which the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed; and 
(2) (subject to such manner of calculation and adjustments as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed, after adjusting for:
(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and 
(ii) any subsequent bonus issue, consolidation or subdivision of shares, and, in paragraph (1) above and this paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST; 
(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and 
(4) unless revoked or varied by the Company in general meeting the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("Ordinary Shares") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases(s) on the Singapore Exchange Securities Trading Limited ("SGX-ST") and/or any other securities exchange on which the Ordinary Shares may for the time being be listed and quoted ("Other Exchange") and/or

(ii) off-market purchases(s) (if effected otherwise than on the SGX-ST, or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Acts, and in accordance with all other laws and regulations and rules of the SGX-ST, or, as the case may be, Other Exchange as may for the time being be applicable, be and be hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held and

(iii) the date on which purchases and acquisitions of Ordinary Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"Average Closing Price" means the average of the closing market prices of an Ordinary Share over the five market days on which transactions in the Ordinary Shares on the SGX-ST (or, as the case may be, Other Exchange were recorded, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase;

"Maximum Percentage" means that number of issued Ordinary Shares representing 2% of the issued Ordinary Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST) and "Maximum Price" in relation to an Ordinary Share to be purchased or acquired, means the purchase price (including related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

(i) in the case of a market purchase of an Ordinary Share, 105% of the Average Closing Price of the Ordinary Shares; and

(ii) in the case of an off-market purchase of an Ordinary Share, 105% of the Average Closing Price of the Ordinary Shares; and

Resolution 13

That the DBSH Scrip Dividend Scheme.

By Order of the Board

Teoh Chia Ying Marc Tan
Joint Group Secretaries
DBS Group Holdings Ltd
9 March 2022
Singapore

Notes:

(1) The Annual General Meeting will be convened, and will be held, by way of electronic means pursuant to the 2021 Financial Year (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Delaware Holders) Order 2021. The Notice of Annual General Meeting will accordingly be sent to members by electronic means via publication on the Company’s website at the URL https://www.dbs.com/investors/annual-meetings and on the SGX website at the URL https://www.sgx.com.sg/investors/company-proxy-meetings. For convenience, printed copies of the Notice of Annual General Meeting will also be sent by post to members.

(2) Alternative arrangements relating to:

(a) attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via the “live” audio-visual webcast or via the audio-only stream);

(b) submission of questions to the Chairman of the Meeting in advance of or “live” at the Annual General Meeting, and addressing of substantial and relevant questions to be addressed at the Annual General Meeting;

(c) voting at the Annual General Meeting ("Vote") by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or

(d) appointing the Chairman of the Meeting as proxy to vote on the member’s behalf at the Annual General Meeting.


As a precautionary measure due to the current Covid-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member who wishes to exercise his/her/its voting rights at the Annual General Meeting may:

(a) (where the member is an individual) vote "live" via electronic means at the Annual General Meeting, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the Annual General Meeting on his/her/its behalf; or

(b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as proxy to vote on his/her/its behalf at the Annual General Meeting.

The accompanying proxy form for the Annual General Meeting may be downloaded from the Company’s website at the URL https://www.dbs.com/investors/annual-meetings, for convenience, printed copies of the proxy form will also be sent by post to members.

(4) A member who is a relevant intermediary is entitled to appoint not more than two proxies. Where such member’s instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each such proxy shall be specified in the instrument.

A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member’s instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed must be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

(5) A member who is a member of the Company.

(6) The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

(a) if submitted by post, be lodged with the Company’s Polling Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Reapay Tower, Singapore 018292; or

(b) if submitted electronically, be submitted:

(i) via the website of the Company’s Polling Agent at https://www.pollingagent.co/sg/2021/ or via the pre-registration website at the URL https://www.dbs.com/investors/annual-meetings in the case of a member who intends to attend for holding a vote at the Annual General Meeting;

(ii) via the website of the Company’s Polling Agent at https://www.pollingagent.co/sg/2021 or via the pre-registration website at the URL https://www.dbs.com/investors/annual-meetings in the case of a member who wishes to submit a vote by proxy.

(7) A member may appoint the Chairman of the Meeting as proxy to vote "live" via electronic means at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

(b) appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 21 March 2022.

(8) The 2021 Annual Report and the Letter to Shareholders dated 9 March 2022 (in relation to the proposed renewal of the share purchase mandate) have been published and may be found on the Company’s website at the URL https://www.dbs.com/investors/financials/group-annual-reports; and

The 2021 Annual Report may be accessed at the URL https://www.dbs.com/investors/financials/group-annual-reports by clicking on the hyperlink "New Initiatives, New Growth" or "PDF" under the "2021" section of "Group Annual Reports"; and

The Letter to Shareholders dated 9 March 2022 may be accessed at the URL https://www.dbs.com/investors/financials/group-annual-reports by clicking on the hyperlink "Letter to Shareholders dated 9 March 2022" under "9 March 2022".

Due to the current Covid-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email or via the pre-registration website.

(9) CPF and URA members:

(a) may vote "live" via electronic means at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

(b) appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 21 March 2022.

(10) A member may vote "live" via electronic means at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

(b) appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 21 March 2022.

(11) The 2021 Annual Report may be accessed at the URL https://www.dbs.com/investors/financials/group-annual-reports by clicking on the hyperlink "New Initiatives, New Growth" or "PDF" under the "2021" section of "Group Annual Reports"; and

The Letter to Shareholders dated 9 March 2022 may be accessed at the URL https://www.dbs.com/investors/financials/group-annual-reports by clicking on the hyperlink "Letter to Shareholders dated 9 March 2022" under "9 March 2022".

For convenience, printed copies of these documents may be accessed at the Company’s website at the URL https://www.dbs.com/investors/financials/group-annual-reports. Members may request for printed copies of these documents by completing and submitting the Request Form accompanying the printed copies of the Notice of Annual General Meeting and the proxy form sent by post to members.

Resolution 14

That the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things including executing such documents as may be required as they, he and/or she may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

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DBS Annual Report 2021 | New Initiatives, New Growth

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Notice of Annual General Meeting

2022-02-22 10:22 PM
Personal data privacy:

By submitting an instrument appointing a proxy(ies) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof on behalf of the Company (or its agents or service providers) for the purpose of the processing of the administration and analysis by the Company (or its agents or service providers) of the personal data of the members (proxies) of the Company with written evidence of such prior consent and/or prior attendance at the Meeting (including any adjournment thereof) and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), it warrants that where the member discloses the personal data of the members (proxies) of the Company (or its agents or service providers), the member has obtained the prior consent of such proxies for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxies for the Purposes, and it agrees to provide the Company with a written evidence of such prior consent upon reasonable request.

Explanatory notes

Routine Business

Ordinary Resolution 2: Declaration of final dividend on ordinary shares
Resolution 2 is to approve the declaration of a final dividend of 36 cents per ordinary share to be paid on 17 March 2022 to the ordinary shareholders of the Company. The dividend will be one of the substantial shareholder as he considered independent. In accordance with the terms of the California sub-plan (the “California Sub-Plan”) imposed by the Company in the United States of America, subject to any lower limitations required under the DBSH Share Plan, the Board of Directors may issue up to 1,000,000 ordinary shares subject to any lower limitations. The dividend will be considered independent.

Ordinary Resolutions 8 and 9: Re-election of Directors retiring under article 10
(a) Dr Bonghan Cho, upon re-election as a Director of the Company, will remain as a member of each of the Audit Committee, Nominating Committee and Sustainability Committee. Dr Cho is considered independent as a Director following the review of the Audit Committee and Nominating Committee, and will be considered independent.
(b) Mr Tham Sai Choy, upon re-election as a Director of the Company, will remain as Chairman of each of the Audit Committee, Nominating Committee, and as a member of the Board Risk Management Committee and Board Sustainability Committee, and will be considered independent.
(c) Mr Lim Wee Ee, upon re-election as a Director of the Company, will remain as a member of the Audit Committee, Board Risk Management Committee and Board Sustainability Committee, and will be considered independent.

Special Business

Ordinary Resolution 10: DBSH Share Plan
Resolution 10 is to empower the Directors to offer and grant awards to and allot and issue ordinary shares of the Company pursuant to the DBSH Share Plan to participants who are residents of the state of California in the United States of America in the terms of the California sub-plan (the “California Sub-Plan”) to the DBSH Share Plan, provided that (a) the maximum aggregate number of ordinary shares which may be issued under the DBSH Share Plan is limited to 1,000,000 ordinary shares, subject to any lower limitations required under the DBSH Share Plan or the California Sub-Plan, and will terminate on, and no further awards will be granted under the California Sub-Plan after, the tenth anniversary of its approval by the Board of Directors of the Company on 15 February 2019, and (c) the awards granted under the California Sub-Plan will be subject to adjustment upon certain changes in the capitalisation of the Company. In addition, the California Sub-Plan imposes additional restrictions on participants residing in California other than those contemplated under the DBSH Share Plan.

Ordinary Resolution 12: Share Issue Mandate
Resolution 12 is to empower the Directors to issue shares of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the number of shares to be issued other than on a pro rata basis must be less than 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings). For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time that Resolution 12 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of awards which were issued and are outstanding or subsisting at the time that Resolution 12 is passed; and (b) any subsequent bonus issue, consolidation or subdivision of shares. As at 10 February 2022 (the “Latest Practicable Date”), the Company had 19,275,518 treasury shares and no subsidiary holdings.

Ordinary Resolution 13: DBSH Share Purchase Mandate
Resolution 13 is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company may use its internal or external sources of funds or a combination of both to finance its purchase or acquisition of the ordinary shares of the Company ("Ordinary Shares"). The amount of financing required for the Company to purchase or otherwise acquire its issued ordinary shares is subject to the impact on the Company's financial position, cannot be ascertained at the date of this Notice of Meeting, and will depend on the volume of Ordinary Shares purchased or acquired out of capital or profits, the number of Ordinary Shares purchased or acquired and the price at which such Ordinary Shares were purchased or acquired.

Based on the existing issued and paid-up Ordinary Shares as at the Latest Practicable Date and excluding any Ordinary Shares held in treasury, the purchase by the Company of 2% of its issued Ordinary Shares will result in the purchase of 51,366,842 Ordinary Shares.

Assuming that the Company purchases or acquires 51,366,842 Ordinary Shares at the Maximum Price, in the case of both market and off-market purchases, of SGD 38.16 for one Ordinary Share (being the price equivalent to 5% above the average closing prices of the Ordinary Shares traded on the SGX-ST over the last five market days on which transactions were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required is SGD 2.0 billion. The financial effects of the purchase or acquisition of such Ordinary Shares by the Company pursuant to the proposed Share Purchase Mandate is based on the financial statements of the Group and the Company for the financial year ended 31 December 2021 based on these and other assumptions and scenarios referred to in the aforementioned letter to Shareholders dated 9 March 2022 (the “Letter”).

Please refer to the Letter for further details.
## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Chng Kai Fong</th>
<th>Bonghan Cho</th>
<th>Judy Lee</th>
<th>Officer Lim Tee Ghow</th>
<th>Tham Sai Choy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date of appointment</strong></td>
<td>31 March 2021</td>
<td>26 April 2018</td>
<td>4 August 2021</td>
<td>7 November 2017</td>
<td>3 September 2018</td>
</tr>
<tr>
<td><strong>Date of last re-election (if applicable)</strong></td>
<td>Not applicable</td>
<td>25 April 2019</td>
<td>Not applicable</td>
<td>30 April 2020</td>
<td>25 April 2019</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>43</td>
<td>57</td>
<td>54</td>
<td>57</td>
<td>62</td>
</tr>
<tr>
<td><strong>Country of principal residence</strong></td>
<td>Singapore</td>
<td>Republic of Korea</td>
<td>Singapore</td>
<td>Singapore</td>
<td>Singapore</td>
</tr>
</tbody>
</table>

### The Board's comments on this appointment (including rational, selection criteria, board diversity considerations, and the search and nomination process)

The Board had considered the Nominating Committee's recommendation and appointment of Mr Chng, based on Mr Chng's experience, skills, contributions and commitment in the discharge of his duties as a Director of DBS Group Holdings Ltd, as well as (i) the size, composition and diversity of skillsets on the Board, and is satisfied that Mr Chng will continue to contribute meaningfully to the Board.

The Board had considered the Nominating Committee's recommendation and appointment of combination of Mr Chng's experience, skills, contributions and commitment in the discharge of his duties as a Director of DBS Group Holdings Ltd, as well as (i) the size, composition and diversity of skillsets on the Board, and is satisfied that Mr Chng will continue to contribute meaningfully to the Board.

The Board had considered the Nominating Committee's recommendation and appointment of Mr Lim, based on Mr Lim’s experience, skills, contributions and commitment in the discharge of his duties as a Director of DBS Group Holdings Ltd, as well as (i) the size, composition and diversity of skillsets on the Board, and is satisfied that Mr Lim will continue to contribute meaningfully to the Board.

The Board had considered the Nominating Committee's recommendation and appointment of Mr Tham, based on Mr Tham's experience, skills, contributions, and commitment in the discharge of his duties as a Director of DBS Group Holdings Ltd, as well as (i) the size, composition and diversity of skillsets on the Board, and is satisfied that Mr Tham will continue to contribute meaningfully to the Board.

### Whether appointment is executive, and if so, the area of responsibility

- **Mr Chng Kai Fong**: Non-Executive
- **Ms Judy Lee**: Non-Executive
- **Mr Tham Sai Choy**: Non-Executive

### Job Title (e.g., Lead ID, AC Chairman, AC Member etc.)

- **Mr Chng Kai Fong**: Member of the Audit Committee
- **Ms Judy Lee**: Member of the Nominating Committee
- **Mr Tham Sai Choy**: Member of the Nominating Committee

### Professional qualifications

- **Mr Chng Kai Fong**: Bachelor of Engineering (First Class Honours), Civil Engineering, Imperial College, London, UK
- **Ms Judy Lee**: Fellow – Institute of Singapore Chartered Accountants
- **Mr Tham Sai Choy**: Bachelor of Arts (Honours) in Economics, University of Leeds, UK

### Working experience and occupation(s) during the past 10 years

- **Mr Chng Kai Fong**: Director, Ministry of Trade and Industry – October 2017 to September 2019
- **Ms Judy Lee**: Adjunct Professor, Singapore Management University – January 2006 to September 2019
- **Mr Tham Sai Choy**: Chairman, KPMG Asia Pacific – 2013 to 2017

### Shareholding interest in the listed issuer and its subsidiaries

- **Mr Chng Kai Fong**: Yes, 8,675 ordinary shares in DBS Group Holdings Ltd
- **Ms Judy Lee**: Yes, 143,122 ordinary shares in DBS Group Holdings Ltd
- **Mr Tham Sai Choy**: Nil

### Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries

- **Mr Chng Kai Fong**: Yes, Mr. Chng, who is a senior civil servant, is employed by the Singapore government, which is the ultimate owner of Temasek Holdings (Private) Limited, the substantial shareholder of DBS Group Holdings Ltd.
- **Ms Judy Lee**: Nil
- **Mr Tham Sai Choy**: Nil

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* Mr Chng Kai Fong, Ms Judy Lee and Mr Tham Sai Choy were appointed as members of the Board Sustainability Committee on 7 February 2022.

* Mr Chng Kai Fong, Ms Judy Lee and Mr Tham Sai Choy were appointed as members of the Board Sustainability Committee on 7 February 2022.
### Name of Director

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Other listed companies</th>
<th>Other principal commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chng Kai Fong</td>
<td>DBS Bank Ltd., Director</td>
<td>1. Singapore Economic Development Board, Managing Director</td>
</tr>
<tr>
<td>Bangong Cho</td>
<td>DBS Bank Ltd., Director</td>
<td>2. EDIB Investments Pte Ltd., Director</td>
</tr>
<tr>
<td>Judy Lee</td>
<td>DBS Bank Ltd., Director</td>
<td>3. EDIB Pte. Ltd., Director</td>
</tr>
<tr>
<td>Olivier Lim Tee Gow</td>
<td>DBS Bank Ltd., Director</td>
<td>4. Mamanak Investments Pte Ltd., Director</td>
</tr>
<tr>
<td>Tham Sai Choy</td>
<td>DBS Bank Ltd., Director</td>
<td>5. Singapore Israel Industrial Research and Development Foundation, Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6. Agency for Science, Technology and Research (A*STAR), Board Member</td>
</tr>
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<td></td>
<td></td>
<td>7. Singapore Management University Law Kong Chian School of Business, Advisory Board Member</td>
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<tr>
<td></td>
<td></td>
<td>8. Prime Minister’s Office, Principal Private Secretary to Prime Minister</td>
</tr>
</tbody>
</table>

### Conflict of interest (including any competing business)

<table>
<thead>
<tr>
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<td>Tham Sai Choy</td>
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<td>5. Singapore Israel Industrial Research and Development Foundation, Director</td>
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<tr>
<td></td>
<td></td>
<td>6. Agency for Science, Technology and Research (A*STAR), Board Member</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7. Singapore Management University Law Kong Chian School of Business, Advisory Board Member</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8. Prime Minister’s Office, Principal Private Secretary to Prime Minister</td>
</tr>
</tbody>
</table>

### Other Principal Commitments* Including Directorships

* "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018.

#### Past (for the last 5 years)

1. Singapore Economic Development Board, Managing Director
2. EDIB Investments Pte Ltd., Director
3. EDIB Pte. Ltd., Director
4. Mamanak Investments Pte Ltd., Director
5. Singapore Israel Industrial Research and Development Foundation, Director
6. Agency for Science, Technology and Research (A*STAR), Board Member
7. Singapore Management University Law Kong Chian School of Business, Advisory Board Member
8. Prime Minister’s Office, Principal Private Secretary to Prime Minister

#### Present

1. Singapore Economic Development Board, Managing Director
2. EDIB Investments Pte Ltd., Director
3. EDIB Pte. Ltd., Director
4. Mamanak Investments Pte Ltd., Director
5. Singapore Israel Industrial Research and Development Foundation, Director
6. Agency for Science, Technology and Research (A*STAR), Board Member
7. Singapore Management University Law Kong Chian School of Business, Advisory Board Member
8. Prime Minister’s Office, Principal Private Secretary to Prime Minister

#### Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual

There is no change to the responses previously disclosed by Mr. Chng Kai Fong under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all “No”. The Appendix 7.4.1 information in respect of Mr Chng’s appointment as Director was announced on 26 March 2021.

Mr. Chng was appointed as an independent Director of DBS Group Holdings Ltd and DBS Bank Ltd on 31 March 2021 (“DBS Director”). DBS is a financial institution regulated in multiple jurisdictions, and may from time to time be subject to various public or non-public regulatory actions which have different degrees of materiality. These can vary from regulatory requests for information as part of normal supervisory activity, to production orders by law enforcement, to formal regulatory investigations or penalties. To the best of Mr. Chng’s knowledge and belief, none of these actions which occurred since he was appointed as a DBS Director are material.

There is no change to the responses previously disclosed by Mr. Bangong Cho in DBS Group Holdings Ltd’s 2018 Annual Report issued on 28 March 2019 under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all “No”. The Appendix 7.4.1 information in respect of Ms Lee’s appointment as Director was announced on 4 August 2021.

Ms. Lee was appointed as an independent Director of DBS Group Holdings Ltd and DBS Bank Ltd on 26 April 2018 (“DBS Director”). DBS is a financial institution regulated in multiple jurisdictions, and may from time to time be subject to various public or non-public regulatory actions which have different degrees of materiality. These can vary from regulatory requests for information as part of normal supervisory activity, to production orders by law enforcement, to formal regulatory investigations or penalties. To the best of Ms. Lee’s knowledge and belief, none of these actions which occurred since she was appointed as a DBS Director are material.

There is no change to the responses previously disclosed by Mr. Judy Lee under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all “No”. The Appendix 7.4.1 information in respect of Mr. Lim’s appointment as Director was announced on 7 November 2017 (“DBS Director”).

Mr. Lim was appointed as an independent Director of DBS Group Holdings Ltd and DBS Bank Ltd on 7 November 2017 (“DBS Director”). DBS is a financial institution regulated in multiple jurisdictions, and may from time to time be subject to various public or non-public regulatory actions which have different degrees of materiality. These can vary from regulatory requests for information as part of normal supervisory activity, to production orders by law enforcement, to formal regulatory investigations or penalties. To the best of Mr. Lim’s knowledge and belief, none of these actions which occurred since he was appointed as a DBS Director are material.

There is no change to the responses previously disclosed by Mr. Tham Sai Choy in DBS Group Holdings Ltd’s 2018 Annual Report issued on 28 March 2019 under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all “No”.

Mr. Tham was appointed as an independent Director of DBS Group Holdings Ltd and DBS Bank Ltd on 3 September 2017 (“DBS Director”). DBS is a financial institution regulated in multiple jurisdictions, and may from time to time be subject to various public or non-public regulatory actions which have different degrees of materiality. These can vary from regulatory requests for information as part of normal supervisory activity, to production orders by law enforcement, to formal regulatory investigations or penalties. To the best of Mr. Tham’s knowledge and belief, none of these actions which occurred since he was appointed as a DBS Director are material.
PROXY FORM

DBS GROUP HOLDINGS LTD
(Incorporated in the Republic of Singapore)
Company Registration No.: 199901152M

Annual General Meeting

IMPORTANT:
1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Defence Homes) Order 2020. The Notice of Annual General Meeting will accordingly be sent to members by electronic means via publication on the Company’s website at the URL: https://www.dbs.com/investor-relations/member-services/agm, and at the SGX website at the URL: http://www.sgx.com/investor-relations/proxy-results/

2. In the extraordinary measure due to the current Covid-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member who wishes to exercise his/her/its voting rights at the Annual General Meeting may: (a) appoint a proxy (or proxies) to vote on his/her/its behalf at the Annual General Meeting; or (b) appoint themselves as a proxy (or proxies) to vote on his/her/its behalf at the Annual General Meeting. If you wish your proxy/proxies to cast all your votes from voting on a resolution, please tick with "For", "Against" or "Abstain" in the box provided in respect of that resolution.

3. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors: As a precautionary measure due to the current Covid-19 situation in Singapore, a member will not be able to attend the Annual General Meeting on his/her/its behalf; or (b) may appoint the Chairman of the Meeting as proxy to vote on his/her/its behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

4. If you wish your proxy/proxies to cast all your votes from voting on a resolution, please tick with "For", "Against" or "Abstain" in the box provided in respect of that resolution.

5. IMPORTANT: PLEASE READ NOTES OVERLEAF.

Signature or Common Seal of Member(s)
Contact number/email address of Member(s)

Dated this ______ day of ______ 2022

No. of Ordinary Shares held

If you wish your proxy/proxies to cast all your votes For or Against a resolution, please tick with "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes For or Against the For or Against box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please tick with "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares that your proxy/proxies is directed to Abstain from voting in the Abstain box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the Annual General Meeting.

Voting will be conducted by poll.

IMPORTANT: PLEASE READ NOTES OVERLEAF.

* Indate as appropriate

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Notes:
(1) Please insert the total number of ordinary shares ("Ordinary Shares") held by you. If you have Ordinary Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Ordinary Shares. If you have Ordinary Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Ordinary Shares. If you have Ordinary Shares entered against your name in the Depository Register and Ordinary Shares registered in your name in the Register of Members, you should insert the aggregate number of Ordinary Shares.
(2) This proxy form may be downloaded from the Company’s website at the URL https://www.dbs.com/investors/agm-and-egm/default.page and from the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this proxy form will also be sent by post to members.
(3) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member’s instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member’s instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
(4) A proxy need not be a member of the Company.
(5) The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
(a) If submitted by post, be lodged with the Company’s Polling Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
(b) If submitted electronically, be submitted:
(i) via email to the Company’s Polling Agent at DBSAGM2022@boardroomlimited.com; or
(ii) via the pre-registration website at the URL https://go.dbs.com/agm2022.
In each case, at least 72 hours before the time appointed for holding the Annual General Meeting. A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company’s website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and submitting it via email to the email address provided above or via the pre-registration website at the URL provided above.
Due to the current Covid-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email or via the pre-registration website.
(6) The instrument appointing a proxy(ies) must be under the hand of the appointer or of his/her attorney duly authorised in writing or, where it is executed by a corporation, be executed either under its seal or under the hand of an officer or attorney duly authorised.
(7) The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertenable from the instructions of the appointer specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose Ordinary Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) if such members are not shown to have Ordinary Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.
About us

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank’s “AA-” and “Aa1” credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named “World’s Best Bank” by Euromoney, “Global Bank of the Year” by The Banker and “Best Bank in the World” by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named “World’s Best Digital Bank” by Euromoney and the world’s “Most Innovative in Digital Banking” by The Banker. In addition, DBS has been recognised as “Safest Bank in Asia” by Global Finance for 13 consecutive years from 2009 to 2021.

About this report

This Annual Report is prepared in accordance with the following regulations, frameworks and guidelines:

- The Banking (Corporate Governance) Regulations 2005, and all material aspects of the Code of Corporate Governance 2018 and the Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers issued in November 2021 by the Monetary Authority of Singapore.
- The Guidelines on Responsible Financing issued in October 2015 (revised June 2018) by the Association of Banks in Singapore.
- The Global Reporting Initiative (GRI) Standards – Core Option, issued in October 2016 (with subsequent revisions), and the G4 Financial Services sector disclosures by the GRI Global Sustainability Standards Board.
- The Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers.
- The Banking (Corporate Governance) Regulations 2005, and all material aspects of the Code of Corporate Governance 2018 and the Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers.
- The Global Reporting Initiative (GRI) Standards – Core Option, issued in October 2016 (with subsequent revisions), and the G4 Financial Services sector disclosures by the GRI Global Sustainability Standards Board.
- The Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers.
- The banking group’s responsible financing policies, which updates and supersedes the previous (June 2017) version.
- The Global Reporting Initiative (GRI) Standards – Core Option, issued in October 2016 (with subsequent revisions), and the G4 Financial Services sector disclosures by the GRI Global Sustainability Standards Board.
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- The Global Reporting Initiative (GRI) Standards – Core Option, issued in October 2016 (with subsequent revisions), and the G4 Financial Services sector disclosures by the GRI Global Sustainability Standards Board.

Board of Directors

Peter Seah
Chairman

Piyush Gupta
Chief Executive Officer

Olivier Lim
Lead Independent Director

Chng Kai Fong
(appointed on 31 March 2021)

Bonghan Cho
Ho Tian Yee
Punita Lal
Judy Lee
Anthony Lim

Tham Sai Choy

Audit Committee

Tham Sai Choy
(Chairman)

Chng Kai Fong
(appointed on 31 March 2021)

Bonghan Cho
Punita Lal
Judy Lee
Anthony Lim
Peter Seah

Nominating Committee

Tham Sai Choy
(Chairman)

Olivier Lim
Lead Independent Director

Chng Kai Fong
(appointed on 31 March 2021)

Bonghan Cho
Punita Lal
Peter Seah

Board Risk Management Committee

Olivier Lim
(appointed as Chairman on 31 March 2021)

Ho Tian Yee
Judy Lee
Anthony Lim
Peter Seah
Tham Sai Choy

Board Executive Committee

Peter Seah
(Chairman)

Anthony Lim
Olivier Lim

Compensation and Management Development Committee

Anthony Lim
(appointed as Chairman on 31 March 2021)

Bonghan Cho
Punita Lal
Judy Lee
Peter Seah

Board Sustainability Committee

Piyush Gupta
(Chairman)

Chng Kai Fong
Judy Lee
Tham Sai Choy

Joint Group Secretaries

Teoh Chia-Yin
Marc Tan

Group Executive Committee

Piyush Gupta
Chief Executive Officer

Chng Sok Hui
Chief Financial Officer

Sim S Lim
Consumer Banking/Wealth Management

Andrew Ng
Treasury & Markets

Jimmy Ng
Chief Information Officer

Sebastian Paredes
Hong Kong

Shee Tse Koon
Singapore

Soh Kian Tiong
Chief Risk Officer

Tan Su Shan
Institutional Banking

Group Management Committee

Includes the Group Executive Committee and the following:

Eng-Kwok Seat Moey
Capital Markets

Philip Fernandez
Corporate Treasury

Neil Ge
China

Derrick Goh
Aust

Han Kwew Juan
Strategy & Planning

Corporate Information