

Corporate governance



Awards

We received several accolades in 2023:

- i) Winner of the 'Singapore Corporate Governance Award 2023', and the 'Singapore Corporate Sustainability Award 2023', in the Securities Investors Association (Singapore) Investors' Choice Awards.
- ii) Gold award for Best Annual Report at the Singapore Corporate Awards 2023 (For companies with SGD 1 billion and above in market capitalisation).
- iii) Ranked 2nd place for the second consecutive year in the Singapore Governance and Transparency Index.

Governance framework

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

Our corporate governance practices comply with the Banking (Corporate Governance) Regulations 2005 (Banking Regulations) and the Financial Holding Companies (Corporate Governance of Designated Financial Holding Companies with Bank Subsidiary) Regulations 2022 (FHC Regulations) (together with the Banking Regulations, the Regulations). We also comply, in all material aspects, with the Guidelines on 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, 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).

We have described our corporate governance practices for our financial year ended 31 December 2023 with specific reference to the 2018 Code and the Additional Guidelines. A summary disclosure of our compliance with the express disclosure requirements in the 2018 Code and the Additional Guidelines have been provided on pages 106 to 108.

Competent leadership

Our board

Key Information on our Directors

Chairman

Mr Peter Seah

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



Board

10 Members	Mr Peter Seah Mr Piyush Gupta Mr Olivier Lim*	Mr Chng Kai Fong Dr Bonghan Cho Mr David Ho	Ms Punita Lal Ms Judy Lee Mr Anthony Lim Mr Tham Sai Choy
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The Board directs DBS in the conduct of its affairs and provides sound leadership to management. We have 10 Board members (including two female directors) with a broad range of experience and deep industry expertise. The make-up of our Board reflects diversity of gender, nationality, age, skills and knowledge. Independent Directors form the majority of the Board, and there are no alternate Directors on our Board.

*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.



Chairman, Board and CEO

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

The table below sets out key information on our Directors, the number of meetings which our Directors attended during 2023 as well as the remuneration for each Director

for financial year ended 31 December 2023 (FY2023). The remuneration of Non-Executive Directors (including the Chairman) does not include any variable component. Please refer

to pages 58 to 59 for more details on the Non-Executive Directors' fee structure for FY2023.

Director/ Independence status	Meetings attendance record (1 January to 31 December 2023)									Total remuneration for FY2023 (SGD)		
	BOD ⁽¹⁾	NC ⁽²⁾	EXCO ⁽³⁾	AC ⁽⁴⁾	BRMC/ BTRC ⁽⁵⁾	CMDC ⁽⁶⁾	BSC ⁽⁷⁾	AGM	Offsite ⁽⁸⁾	Directors' fees ^(a) (SGD)	Share-based remuneration ^(b) (SGD)	Others ^(c) (SGD)
	No. of meetings held in 2023											
	8	5	12	4	5	4	4	1	1			
Mr Peter Seah, 77 Non-Executive and Non-Independent Chairman • Chairman since 1 May 10 • Board member since 16 Nov 09 • Last re-elected on 31 Mar 23	8	5	12	4	5	4	-	1	1	Total: 1,956,840.83		
										1,335,950	572,550	48,340.83
Dr Bonghan Cho, 59 Non-Executive and Independent Director • Board member since 26 Apr 18 • Last re-elected on 31 Mar 22	8	5	-	3 ^(d)	2 ^(d)	4	-	1	1	Total: 302,500		
										211,750	90,750	-
Mr Ho Tian Yee, 71 • Stepped down as a Non-Executive and Non-Independent Director on 31 Mar 23	1 ^(e)	-	-	-	1 ^(e)	-	-	1	-	Total: 51,953 ^(e)		
										51,953	-	-
Mr Olivier Lim, 59 Non-Executive and Lead Independent Director • Board member since 7 Nov 17 • Last re-elected on 31 Mar 22 • Lead Independent Director since 29 Apr 20	8	5	12	-	5	-	-	1	1	Total: 452,000		
										316,400	135,600	-
Mr Tham Sai Choy, 64 Non-Executive and Independent Director • Board member since 3 Sep 18 • Last re-elected on 31 Mar 22	8	5	-	4	5	-	4	1	1	Total: 413,500		
										289,450	124,050	-
Ms Punita Lal, 61 Non-Executive and Independent Director • Board member since 1 Apr 20 • Last re-elected on 31 Mar 23	7	5	-	4	-	4	-	1	1	Total: 293,500		
										205,450	88,050	-
Mr Anthony Lim, 65 Non-Executive and Independent Director • Board member since 1 Apr 20 • Last re-elected on 31 Mar 23	8	-	12	-	5	4	-	1	1	Total: 373,000		
										261,100	111,900	-
Mr Chng Kai Fong, 45 Non-Executive and Non-Independent Director • Board member since 31 Mar 21 • Last re-elected on 31 Mar 22	8 ^(f)	5 ^(f)	-	4 ^(f)	-	-	3 ^(f)	1 ^(f)	1 ^(f)	Total: 305,000 ^(f)		
										305,000	-	-
Ms Judy Lee, 56 Non-Executive and Independent Director • Board member since 4 Aug 21 • Last re-elected on 31 Mar 22	8	-	-	4	5	4	4	1	1	Total: 421,000		
										294,700	126,300	-

Director Independence status	Meetings attendance record (1 January to 31 December 2023)									Total Directors' remuneration for FY2023 (SGD)		
	BOD ⁽¹⁾	NC ⁽²⁾	EXCO ⁽³⁾	AC ⁽⁴⁾	BRMC/BTRC ⁽⁵⁾	CMDC ⁽⁶⁾	BSC ⁽⁷⁾	AGM	Offsite ⁽⁸⁾	Directors' fees ^(a) (SGD)	Share-based remuneration ^(b) (SGD)	Others ^(c) (SGD)
	No. of meetings held in 2023											
	8	5	12	4	5	4	4	1	1			
Mr David Ho, 64 Non-Executive and Independent Director • Board member since 26 Apr 23	7 ^(g)	-	-	1 ^(g)	2 ^(g)	3 ^(g)	3 ^(g)	-	1	Total: 221,328		
										154,929.60	66,398.40	-
Mr Piyush Gupta, 64 Executive Director/ CEO • Board member since 9 Nov 09 • Last re-elected on 30 Mar 21	8	5 [#]	12 [#]	4 [#]	5 [#]	4 [#]	4	1	1	Please refer to the Remuneration Report on page 69 for details on the CEO's compensation		

Mr Gupta attended these meetings at the invitation of the respective committees.

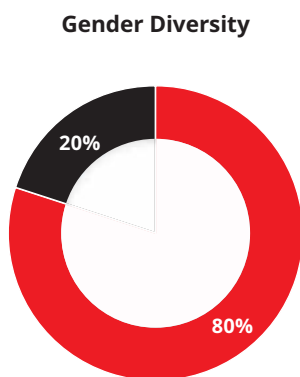
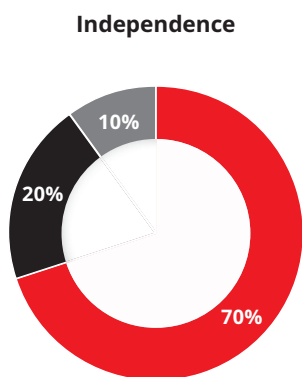
- (1) Board of Directors (BOD)
- (2) Nominating Committee (NC)
- (3) Board Executive Committee (Board EXCO)
- (4) Audit Committee (AC)
- (5) Board Risk Management Committee (BRMC) / BRMC Technology Risk Committee (BTRC). The BTRC (a sub-committee of the BRMC) was established on 22 September 2023.
- (6) Compensation and Management Development Committee (CMDC)
- (7) Board Sustainability Committee (BSC)
- (8) This is our annual board strategy offsite meeting
- (a) Fees payable in cash, in 2024, for being a Director in 2023. This is 70% of each Director's total remuneration and is subject to shareholders' approval at the 2024 AGM.
- (b) This is 30% of each Director's total remuneration and shall be granted in the form of DBSH's ordinary shares. The actual number of DBSH's ordinary shares to be awarded will be rounded down to the nearest share, and any residual balance will be paid in cash. This is subject to shareholders' approval at the 2024 AGM.
- (c) Represents non-cash component and comprises car and driver for Mr Peter Seah.
- (d) Dr Bonghan Cho stepped down as a member of the AC and was appointed as a member of the BRMC/ BTRC on 1 November 2023.
- (e) As Mr Ho Tian Yee retired at the conclusion of the 2023 AGM, his director's remuneration for the period 1 January to 31 March 2023 will be paid fully in cash.
- (f) Director's remuneration payable to Mr Chng Kai Fong will be paid fully in cash to a government agency, the Directorship and Consultancy Appointments Council.
- (g) Mr David Ho was appointed as non-executive and independent Director and member of each of the BRMC, CMDC and BSC on 26 April 2023. Mr Ho attended all the meetings of the Board (7), BRMC (2), CMDC (3) and BSC (3) following his appointment. He stepped down as a member of the BRMC and was appointed as a member of the AC on 1 November 2023.

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

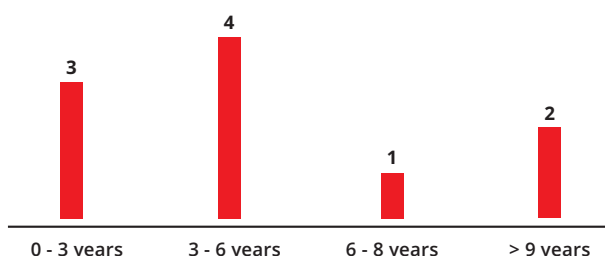
2023 board composition

The proportion of Independent Non-Executive Directors has increased from 60% to 70% in 2023

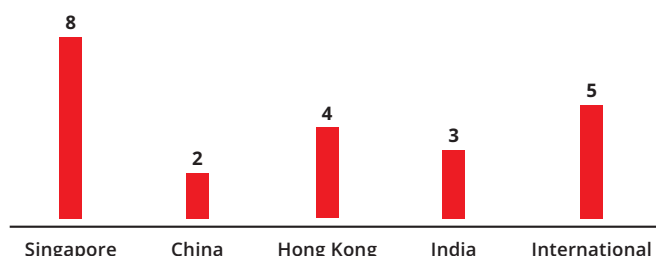
- Independent Non-Executive Directors
- Non-Independent & Non-Executive Directors (including Chairman)
- Executive Director/ CEO



Length of tenure
No. of Directors



International experience
No. of Directors



Board and Board Committee Composition and Key Responsibilities

Members	Composition requirements	Key Responsibilities
<p>Board</p>	<p>In compliance with the Regulations, the Board comprises a majority of directors who are independent and who are Singapore citizens or permanent residents.</p>	<ul style="list-style-type: none"> • 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. <p>Board meetings and activities</p> <p>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. Please refer to the Board highlights - 2023 section on pages 50 to 51 for more information on the key focus areas of the Board in 2023.</p> <p>Before each Board meeting, the Chairman oversees the setting of the agenda of Board meetings, in consultation with the CEO, to ensure that there is sufficient information and time to address all agenda items.</p> <p>The agenda also allows for flexibility when needed. Directors are provided with complete information related to agenda items in a timely manner. All materials for Board and Board committee meetings are uploaded onto a secure portal which can be accessed on tablet devices provided to the Directors.</p> <p>During every quarterly Board meeting:</p> <ul style="list-style-type: none"> • 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 the quarter/ applicable period and significant financial highlights; • the CEO gives an update on certain aspects of the Group's business and operations and/ or a macro perspective on industry trends and developments; • the Board holds a private session for Directors; and • the Lead Independent Director holds a private session with the other Independent Directors. <p>In addition to the quarterly Board meetings, a Board meeting is typically scheduled in December each year where the CEO gives the Board an update on DBS' performance against the balanced scorecard for that financial year. In addition, the CEO and CFO will present the Group's budget for the next financial year to the Board for approval.</p> <p>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.</p> <p>Directors have the discretion to engage external advisers. External professionals or in-house subject matter experts may also be invited to present updates on the latest industry and regulatory developments which may have an impact on DBS' affairs.</p>

Members	Composition requirements	Key Responsibilities
		<p>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.</p> <p>Annual Board strategy offsite Each year, the Board and our senior executives attend a strategy offsite held in one of our markets, which allows them to:</p> <ul style="list-style-type: none"> • focus on DBS' long-term strategy apart from the regular agenda at the quarterly Board meetings; • engage in dynamic and in-depth strategic discussions to promote deeper understanding of our business environment and our operations, and refine our strategy; and • engage with our stakeholders in the host country (such as regulators, media, customers including CEOs and CFOs of our corporate clients and staff in the local franchise). <p>The 2023 Board strategy offsite was held in the last week of September 2023. Please refer to the Board highlights - 2023 section on page 50 for more information on the discussions during the 2023 Board strategy offsite.</p> <p>Frequent and effective engagement Directors have ongoing interactions across various levels, functions and countries within DBS. In addition, some Directors also sit on the boards of our overseas subsidiaries; this arrangement gives the Board access to first-hand insight on the activities of these subsidiaries. The CFO provides the Board with detailed financial performance reports monthly.</p> <p>Directors also have various opportunities to interact with members of the Group Management Committee (GMC), for instance, at quarterly Board-hosted dinners and during the annual board strategy offsite.</p> <p>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.</p> <p>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 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 these meetings, are circulated to all Board members for their information.</p>
<p>Board Executive Committee (Board EXCO)</p> <ul style="list-style-type: none"> • Mr Peter Seah (Chairperson) • Mr Olivier Lim • Mr Anthony Lim 	<p>In accordance with the requirements of the Regulations, a majority (two out of three members of the Board EXCO) are Independent Non-Executive Directors (INEDs).</p>	<ul style="list-style-type: none"> • Approves certain matters specifically delegated by the Board such as acquisitions and divestments, credit transactions, investments, capital expenditure and expenses that exceed the limits that can be authorised by the CEO; • Reviews weak credit cases on a quarterly basis; • Oversees the governance of strategic risks such as technology, artificial intelligence and data (including data privacy and appropriate use of data); and • Reviews and provides recommendations on matters that will require Board approval, including acquisitions and divestments exceeding certain material limits.

* Names denoted in red are INEDs.

Members	Composition requirements	Key Responsibilities
<p>Nominating Committee (NC)</p> <ul style="list-style-type: none"> • Mr Tham Sai Choy (Chairperson) • Mr Olivier Lim (Lead Independent Director) • Dr Bonghan Cho • Ms Punita Lal • Mr Peter Seah • Mr Chng Kai Fong 	<p>In accordance with the requirements of the Regulations, a majority (four out of six members of the NC including the NC Chairperson) are INEDs. The Lead Independent Director is a member of the NC.</p> <p>All NC members are required to be re-appointed by the Board annually. Under the Regulations, every NC member shall hold office until the next annual general meeting following that member's appointment, and shall be eligible for re-appointment. The appointment and re-appointment of NC members require the prior approval of MAS.</p>	<ul style="list-style-type: none"> • 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, background, 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; • Reviews and recommends to the Board the re-appointment of each Director having regard to his/ her performance, commitment and ability to contribute to the Board as well as his/ her age and skillset; • Assesses annually whether each Director has sufficient time to discharge his/ her responsibilities; and • Reviews the Board's succession plans for Directors.
<p>Audit Committee (AC)</p> <ul style="list-style-type: none"> • Mr Tham Sai Choy (Chairperson) • Mr David Ho* • Ms Punita Lal • Ms Judy Lee • Mr Peter Seah • Mr Chng Kai Fong <p>* <i>Mr David Ho joined the AC on 1 November 2023.</i></p>	<p>In accordance with the requirements of the Regulations, a majority (four out of the six members of the AC including the AC Chairperson) are INEDs.</p> <p>Mr Tham possesses an accounting qualification and was formerly the managing partner and Head of Audit of KPMG, Singapore. All members of the AC are non-executive directors, and have recent and relevant accounting or related financial management expertise or experience.</p>	<p>Financial reporting and disclosure matters</p> <ul style="list-style-type: none"> • Monitors the financial reporting process, significant financial reporting issues and judgements to ensure the integrity of the Group's consolidated financial statements; • Reviews the Group's consolidated financial statements, other financial disclosures (including Basel Pillar 3 disclosures) and any announcements relating to the Group's financial performance prior to submission to the Board; and • Provides oversight of external disclosure governance. <p>Internal controls</p> <ul style="list-style-type: none"> • Reviews (in parallel with the Board Risk Management Committee) the adequacy and effectiveness of internal controls, such as financial, operational, compliance and information technology controls, as well as risk management systems; • Receives updates on significant incidents of non-compliance with laws and regulations, and reviews management's investigations of such incidents; • Reviews and monitors remedial action plans to address significant internal control deficiencies identified by management, Group Audit, the external auditor and/ or regulators; • Ensures that there are policies and arrangements in place by which DBS staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensures that arrangements are also in place for such concerns to be independently investigated and for appropriate follow-up action to be taken; • Reviews significant matters raised through the whistle-blowing channel; and • Reviews all material related party transactions (including interested person transactions) and keeps the Board informed of the findings and conclusions from its review. <p>Internal audit</p> <ul style="list-style-type: none"> • Reviews at least annually, the independence, adequacy and effectiveness of the Group's internal audit function (Group Audit) and processes, and ensures that Group Audit is adequately resourced and set up to carry out its functions, including approving its budget; • Reviews Group Audit's audit plans, the proposed areas of audit focus, and results of audits; • Ensures that an internal quality assurance review (QAR) of Group Audit is conducted annually, and that an independent QAR is conducted at least once every five years; and • Approves the hiring, removal, resignation, evaluation and compensation of the Head of Group Audit.

* Names denoted in red are INEDs.

Members	Composition requirements	Key Responsibilities
		<p>External auditor</p> <ul style="list-style-type: none"> • Determines the criteria for selecting, monitoring and assessing the external auditor, and makes recommendations to the Board on the appointment, re-appointment and removal of the external auditor; • Approves the remuneration and terms of engagement of the external auditor; • Reviews and discusses the key audit matters (identified by the external auditor pursuant to auditing standards) with the external auditor and management, and ascertains if these matters are presented appropriately; • Reviews the scope and results of the external audits and the independence, adequacy and objectivity of the external auditor; • Ensures that the external auditor promptly communicates to the AC all information regarding internal control weaknesses or deficiencies, and that these are promptly rectified; and • Reviews the assistance given by management to the external auditor. <p>The AC has the authority to investigate any matter within its terms of reference, and has full access to and cooperation from management.</p>
<p>Board Risk Management Committee (BRMC)</p> <ul style="list-style-type: none"> • Mr Olivier Lim (Chairperson) • Dr Bonghan Cho* • Ms Judy Lee • Mr Anthony Lim • Mr Tham Sai Choy • Mr Peter Seah <p><i>* Dr Bonghan Cho joined the BRMC on 1 November 2023.</i></p>	<p>All BRMC members are non-executive Directors, which exceeds the requirements of the Regulations.</p> <p>All BRMC members are appropriately qualified to discharge their responsibilities, and have the relevant technical financial expertise in risk disciplines or businesses.</p>	<ul style="list-style-type: none"> • Supports the Board and management in setting the tone from the top so as to embed and maintain appropriate risk culture; • Guides the development of, and recommends for the Board's approval, the risk appetite for various types of risk, and exercises oversight on how this is operationalised into individual risk appetite limits; • Approves the Group's overall and specific risk governance frameworks; • Has direct oversight of the CRO (jointly with the CEO); • Oversees the risk assessment framework established to manage the Group's financial crime, technology risks (including cybersecurity), fair dealing and regulatory risks; • Oversees an independent risk management system, and the adequacy and appropriateness 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 internal controls, such as financial, operational, compliance and information technology controls, as well as risk management systems; • Monitors market developments, such as macro-economic and country risks, financial and operational (including technology) risks, risk concentrations, and stress tests related to these developments; • Monitors risk exposures and profile against relevant risk thresholds, and risk strategy in accordance with approved risk appetite and/ or guidelines; • Determines risk reporting requirements, having regard to regulatory guidance, and reviews the risk dashboard to keep track of major risk positions and risk developments; • Monitors the quarterly portfolio reviews of total exposures as well as large exposures and asset quality; • Reviews large risk events and subsequent remedial action plans; • Oversees the risk models 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 attestation and Group Recovery Plan; and • Exercises oversight of regulatory requirements relating to risk management.

* Names denoted in red are INEDs.

Members	Composition requirements	Key Responsibilities
<p>Sub-committee of the BRMC</p> <p>BRMC Technology Risk Committee (BTRC)</p> <ul style="list-style-type: none"> • Mr Olivier Lim (Chairperson) • Dr Bonghan Cho • Ms Judy Lee • Mr Anthony Lim • Mr Tham Sai Choy • Mr Peter Seah • Mr Ajey Gore (Non-Director member) • Mr Marc Massar (Non-Director member) 	<p>There are currently no specific composition requirements prescribed under Singapore regulations.</p> <p>There is the ability to co-opt additional subject matter experts on to the BTRC.</p>	<ul style="list-style-type: none"> • This sub-committee was formed under the direction of the Board to enhance technology resiliency and governance. • Reviews, and where applicable, makes recommendations to the BRMC on management's approach/ proposals in relation to the technology risk management strategy, framework, risk appetite and risk tolerance that the Group is willing and able to assume; • Exercises oversight of the technology risk management function of the Group and the efforts to nurture a strong culture of technology risk awareness and management throughout the Group; • Reviews technology risk exposures or incidents and remedial plans taken to monitor and control such risks as well as emerging technology risk trends; and • Reviews the Group's compliance with technology-related regulations and standards.
<p>Compensation and Management Development Committee (CMDC)</p> <ul style="list-style-type: none"> • Mr Anthony Lim (Chairperson) • Dr Bonghan Cho • Mr David Ho* • Ms Punita Lal • Ms Judy Lee • Mr Peter Seah <p><i>* Mr David Ho joined the CMDC on 26 April 2023.</i></p>	<p>In accordance with the requirements of the Regulations, a majority (four out of the five members of the CMDC including the CMDC Chairperson) are INEDs.</p>	<ul style="list-style-type: none"> • Exercises supervisory oversight of the philosophies, principles, parameters and governance of DBS' remuneration policy and ensures that DBS' compensation approach balances risk management with long-term business growth; • Oversees the remuneration of senior executives and Directors, including making recommendations to the Board on the remuneration of executive directors; and • Exercises oversight on talent development and succession planning of the Group to ensure a robust talent bench strength and deepen the necessary competencies and strong leadership capabilities of the Group's people for its continued success.
<p>Board Sustainability Committee (BSC)</p> <ul style="list-style-type: none"> • Mr Piyush Gupta (Chairperson) • Mr David Ho* • Ms Judy Lee • Mr Tham Sai Choy • Mr Chng Kai Fong • Dr Ben Caldecott (Non-Director member) <p><i>* Mr David Ho joined the BSC on 26 April 2023.</i></p>	<p>There are currently no specific composition requirements prescribed under Singapore regulations.</p> <p>There is the ability to co-opt additional subject matter experts on to the BSC.</p>	<ul style="list-style-type: none"> • The BSC was formed under the direction of the Board to provide greater governance and oversight of our sustainability agenda. • Oversees DBS' plans and approves strategies, goals, and targets in relation to the Group's sustainability pillars: Responsible Banking, Responsible Business Practices, and Impact Beyond Banking; • Reviews and approves the Group's Sustainability Report, including approaches to meet disclosure requirements such as regulatory specifications or listing obligations; • Reviews and approves the Group's climate-related disclosures, including business and financial implications, which may arise from climate-related stress tests, and consider viability of proposed responses; • Exercises oversight of the Group's Board and Management governance framework on sustainability matters (e.g., Group Sustainability Council), taking into account regulatory expectations, including those for material operating subsidiaries; and • Oversees emerging sustainability issues and the strategies and outreach programmes for engaging our key stakeholder groups.

* Names denoted in red are INEDs.

Highlights of Board and Board Committees – 2023

Board highlights – 2023

Focus on Strategy

The Board focused on how DBS could create value for all stakeholders by (i) analysing global and regional macro-economic trends; (ii) reviewing the impact of bank failures in the United States; (iii) reviewing our dividend policy, capital outlook, and distribution options; (iv) reviewing the plans and messaging for Investor Day 2023; (v) leveraging artificial learning/ machine learning (AI/ ML) to enhance productivity and efficiency bank-wide; and (vi) enhancing our capabilities to foster sustainable growth and development in certain business lines. During the annual Board strategy offsite (which was held in September 2023), the Board actively deliberated on, *inter alia*:

- (i) the digital wave in AI and generative AI (Gen AI);
- (ii) revalidating DBS' Asia strategy for sustained growth; and
- (iii) building our North Asia resilience.



Technology Matters

The Board had in-depth discussions and reviews on the initiatives to strengthen our technology architecture and resiliency, in light of the digital disruptions during the course of 2023.

In March 2023, the Board established a Special Board Committee (SBC), chaired by the Lead Independent Director, comprising certain members of the Board and supported by external subject matter experts. This committee, with support from Accenture, oversaw the development of a comprehensive technology resiliency roadmap. The BTRC was set up in September 2023 and has assumed the responsibilities previously held by the SBC. It will continue to closely monitor the progress of our remedial activities, and ensure ongoing diligence and oversight in addressing technology-related challenges. In conjunction with these efforts, a Technology Risk Management Uplift (T-Up) Programme, chaired by the CEO was also established.

Please refer to sections "Letter from Chairman & CEO", "CRO statement" and "CIO statement" in the Annual Report for a more in-depth description on our response to the digital disruptions, the technology resiliency roadmap and the T-Up Programme.

Sustainability and ESG

The Board remained committed to sustainability and environmental, social and governance (ESG) issues.

DBS continued to embed ESG considerations into our business strategy, reflecting our dedication to responsible banking, responsible business practices and creating impact beyond banking. The Board reaffirmed and endorsed our overall sustainability strategy to be "Best Bank for a Better World" by creating business opportunities while solving the critical challenges facing society, such as climate change, aging population and income equality, among others. The Board also actively supported sustainable finance initiatives, funding projects and businesses that have a positive impact on society and the environment. To that end, in 2023, DBS announced a commitment of up to SGD 1 billion, over the next 10 years, to improve the lives and livelihoods of the low-income and underprivileged and foster a more inclusive society.

People and Culture

People and culture were another area of focus for the Board in 2023. The CEO updated the Board on the 2023 employee survey "MyVoice", and noted that (i) overall MyVoice engagement had been on an upward trend since 2015; (ii) all key indices in MyVoice had witnessed an improvement; (iii) most core markets have increased

in engagement and outperformed the respective country financial services industry scores; and (iv) increase in MyVoice scores across most units within the Bank.

The Board discussed people and leadership matters, including the need to focus on employees and to provide clear career paths for employees and to drive gender, inter-generational and foreign talent diversity and inclusion. The Board was also updated on (i) efforts relating to culture and employee experience and integration of the workforce of Citigroup Inc.'s consumer banking business in Taiwan (Citi Consumer Taiwan), and (ii) the Group's focus on continuously refreshing leaders, and promoting internal successors with strong innovative, collaborative and growth mindsets.

Pursuing Inorganic Acquisitions and New Business Initiatives

The Board reviewed and deliberated on several inorganic acquisitions and new business initiatives. These transactions included the (i) completion of the acquisition of Citi Consumer Taiwan; and (ii) acquisition of an additional stake in Shenzhen Rural Commercial Bank, increasing our shareholding from 13% to 16.69%. The Board also deliberated on the risks arising from new business initiatives and ensured that appropriate risk management and governance policies and procedures were put in place to manage these.

Board Renewal

Board renewal is a key focus for the Board. The NC conducts an annual review of each Director, and the composition of the Board and Board Committees. New Directors will be introduced gradually so that the Board and Board committees have a smooth transition period.

Diversity in, *inter alia*, gender and skillsets were one of the key considerations in the board renewal process to ensure that (i) the Board is appropriately balanced to support the long-term success of DBS; (ii) the skillsets of the retiring Directors are replaced and/ or the collective skillsets of the Directors is supplemented; and (iii) different perspectives are brought to the Board. Other key considerations include (i) whether the candidate would fit in with our Board's culture and diversity; (ii) the independence status of the candidate; and (iii) whether the candidate would be able to commit sufficient time to fulfil the duties of a Director. A skills matrix is used to assess if the skills and experience of a candidate complement those of the existing Board members. Potential candidates are informed of the level of contribution and commitment expected of a DBS Director.

As part of the Board renewal process:

- (i) Mr Ho Tian Yee had stepped down from the Board at the conclusion of the 2023 Annual General Meeting (2023 AGM), having served on the Board for more than 11 years; and
- (ii) Mr David Ho had been appointed to the Board on 26 April 2023. With Mr Ho Tian Yee's retirement and Mr David Ho's appointment, (i) the Board remained at 10 members, (ii) the proportion of Independent Directors had increased from six to seven; and (iii) DBS benefited from Mr David Ho's experience in the financial and technology sectors, and in key jurisdictions such as China, one of DBS' core markets.

CEO Updates to the Board

In 2023, the CEO updated the Board on, *inter alia*, the following:

- (i) 2023 strategic priorities;
- (ii) Reviews of strategic focus areas of specific business segments and overseas franchises;
- (iii) AI and data governance;
- (iv) the integration of Citi Consumer Taiwan;
- (v) technology resiliency, the risk appetite for technology risk management and the comprehensive technology resiliency roadmap to address technology governance and oversight, incident management, system resilience and change management;

- (vi) progress on the Group scorecard and performance;
- (vii) the employee engagement survey results and focus areas;
- (viii) macro-overview of our core markets; and
- (ix) 2024 key priorities.

Board Executive Committee

"The Board EXCO's activities in 2023 included deliberations on the comprehensive technology resiliency roadmap in response to the digital disruptions. Additionally, the Board EXCO discussed and endorsed various matters including transfer risk limits for key markets, as well as acquisitions and investments, including the increase in DBS' stake in Shenzhen Rural Commercial Bank, and various strategic endeavours such as new business initiatives."

The Board EXCO also conducted reviews of large credit and country limits in selected markets, as well as weak credits cases."

Peter Seah
Chairman, Board EXCO

Highlights of Board EXCO's activities in 2023

- The Board EXCO assists the Board to enhance the business strategies and strengthen core competencies of DBS. The Board EXCO meets frequently and is able to offer greater responsiveness in the decision-making process of DBS.
- In addition to its quarterly review of weak credit cases, matters discussed and/ or endorsed at the Board EXCO meetings in 2023 included (i) annual transfer risk limits for key markets; (ii) investments and acquisitions, such as the acquisition of an additional stake in Shenzhen Rural Commercial Bank and the additional equity injection for DBS Bank India; (iii) new businesses such as the emissions reduction business comprising carbon credits and renewable energy certificates; (iv) regular updates on the digital disruptions and the comprehensive roadmap to improve technology resiliency; (v) macro-economic developments; and (vi) analysis of peer banks' results.

Nominating Committee

"In 2023, the NC continued to take steps to enhance the skillsets of the Board and Board Committees."

Mr David Ho, who joined the Board in April 2023, has a wealth of experience in China, as well as in the financial and technology sectors.

The appointment of Messrs Marc Massar and Ajey Gore, both of whom are senior technology practitioners as non-director members of the BTRC, augments the BRMC's expertise in the oversight of technology risk.

The NC is encouraged that the results of the board evaluation exercise for FY2023 had shown that the DBS Board continues to be well-managed and effective, underpinned by a clear sense of alignment, along with a strong culture of trust, openness and mutual respect."

Tham Sai Choy
Chairman, NC

Highlights of NC's activities in 2023

Selection criteria and nomination process for Directors

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

- review the candidate (including qualifications, attributes, capabilities, skills, age, past experience) to determine whether the candidate is fit and proper in accordance with the fit and proper guidelines issued by the MAS; and
- ascertain whether the candidate is independent from DBS's substantial shareholder and/ or from management and business relationships with DBS.

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

Board renewal process

Please refer to the Board highlights - 2023 section on page 51.

Induction and Training for Directors

The NC oversees the onboarding of new Directors. All new Directors go through our induction programme, which covers the duties and obligations of a Director and the responsibilities of, and work carried out by the Board committees. We provide a Director's pack, which acts as an aide memoire for the information covered by the induction programme. We have briefing sessions for Directors given by members of senior management on the various businesses of DBS and its supporting functions. The NC is also responsible for ensuring that new Directors with no prior experience as a director of a listed company in Singapore undergo training in the roles and responsibilities of a director of a listed company. As DBS is the first Singapore listed company directorship for our new Director, Mr David Ho, he attended training sessions conducted by the Singapore Institute of Directors (SID) on the roles and responsibilities of a listed company director. As part of the SGX-mandated sustainability training, he also attended the sustainability course, "Environment, Social and Governance Essentials".

In addition, Mr David Ho attended our induction programme over four days after he was appointed as a Director. As part of the induction programme, he had one-on-one meetings with members of the GMC.

Annual review of Directors' independence

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

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

The NC assessed and concluded that (i) all Directors are considered to be independent from business relationships with DBS; (ii) with the exception of Mr Piyush Gupta, all Directors are considered to be independent from management relationships with DBS; (iii) with the exception of Mr Chng Kai Fong, all Directors are considered to be independent from DBS's substantial shareholder, Temasek Holdings (Private) Limited (Temasek). Mr Chng, who is the Permanent Secretary (Information and Development)

for the Ministry of Communications and Information, and concurrently the Permanent Secretary (Development) (Cybersecurity) in the Prime Minister's Office, Singapore, is considered not independent of Temasek as the Singapore government is its ultimate owner; and (iv) Mr Peter Seah is a Non-Independent Director as he has served on the Board for more than nine years. Based on the NC's assessment, the Independent Directors are Dr Bonghan Cho, Mr David Ho, Ms Punita Lal, Ms Judy Lee, Mr Olivier Lim, Mr Anthony Lim and Mr Tham Sai Choy.

Although Mr Piyush Gupta, Mr David Ho, Ms Judy Lee, Mr Olivier Lim, Mr Anthony Lim, Mr Peter Seah and Mr Tham Sai Choy are on the boards of companies that have business relationships with DBS, and/ or are also directors of companies in which Temasek has investments (Temasek portfolio companies), the NC considers these Directors (i) independent of business relationships as the revenues arising from such relationships are not material; and (ii) independent of Temasek as their appointments on the boards of Temasek portfolio companies are non-executive in nature and they are not involved in the day-to-day conduct of the businesses of the Temasek portfolio companies. In addition, none of these Directors sit on any of the boards of the Temasek portfolio companies as a representative of Temasek and they do not take instructions from Temasek in acting as Directors.

Board performance and evaluation

The NC makes an assessment at least once a year to determine whether the Board and Board committees are performing effectively and identifies steps for improvement. The NC believes that it is important to obtain an independent perspective on the Board's performance periodically, and to gain insights on the Board's performance against peer boards and best practices. An external evaluator was last engaged to conduct the Board performance evaluation for the financial year ended 2021.

In 2023, the NC engaged Russell Reynolds Associates (RRA), an independent external evaluator, to conduct the Board Evaluation for FY2023. RRA is not connected with DBS or any of the Directors. As part of the evaluation process, RRA conducted one-on-one interviews with each Director and selected members of senior management to obtain more in-depth feedback and perspectives on the performance of the Board. Thereafter, the Board evaluation questionnaire (which included questions on, *inter alia*, alignment of the Board on key issues and strategy, culture, diversity, overall Board dynamics, Board performance, and Board effectiveness)

was augmented and circulated to each Director for their completion. The NC and Board analysed the report prepared by RRA and engaged in discussions regarding the findings and recommendations. The results of the Board evaluation exercise affirmed that the Board continues to be well-managed and effective in fulfilling its duties and responsibilities.

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

Directors' time commitment

The meeting attendance records of all Directors as well as a list of their directorships of listed companies and their principal commitments are fully disclosed in the Annual Report. The NC assesses each Director's ability to commit time to DBS' affairs in accordance with internal guidelines which take into account the number of other board and committee memberships a Director holds, as well as the size and complexity of the companies in which he/ she is a board member. Additionally, each Director is required to complete an annual self-assessment of his/ her time commitments.

While the Board has not set a maximum number of listed company board representations a Director may hold, all Directors appreciate the high level of commitment required of them. All Directors have met the requirements under the NC's guidelines. Based on the recent individual Director self-assessment for FY2023, and the attendance record of Board and Board Committee meetings during the year, the NC was satisfied that where a Director had other listed company board representations, and/ or other principal commitments, the Director was able and had been adequately carrying out his/ her duties as a director of DBS.

Directors' tenure

The NC members believe that it is in the interest of DBS for the Board to comprise both Directors with long tenure who have a deep understanding of the banking industry, as well as those with shorter tenures who can bring fresh ideas and perspectives. There are currently two Directors who have served for more than 11 years, and this is balanced by the progressive refreshing of the Board where seven long-serving Directors have stepped down and eight new Directors have been appointed since November 2017 (when we commenced the refreshing process).

The NC specifically considered the skillsets and contributions of two long-serving Directors who will be remaining on the Board (being Mr Peter Seah 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:

- (i) it is important that Mr Seah remains as the Board Chairman to provide leadership and continuity. Mr Seah is a veteran former banker with wide industry experience, and he has been instrumental in the growth and transformation of DBS over the past 14 years. His guidance will be particularly valuable as DBS navigates the current macro-economic and geopolitical challenges, executes its digital transformation, growth and sustainability strategies and strengthens its franchise in the Greater Bay Area, China, Taiwan, India and Indonesia; and
- (ii) as CEO, Mr Gupta should remain as a Director to provide the Board with insights into the business.

Re-election of Directors

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

Prior to each AGM, Group Secretariat informs the NC which Directors are required to retire at that AGM. The NC will then review the composition of the Board and decide whether to recommend to the Board the

re-election of these Directors, after taking into account factors such as their attendance, participation, contribution, expertise and competing time commitments.

At the 2024 AGM, Mr Piyush Gupta, Mr Chng Kai Fong and Ms Judy Lee will be retiring by rotation, while Mr David Ho is required to stand for re-election as this is the first AGM after his appointment. At the recommendation of the NC and as approved by the Board, all four Directors will be standing for re-election at the 2024 AGM.

Review of composition of Board Committees

The NC regularly reviewed the size and composition of the Board committees in 2023 to ensure that all independence requirements continue to be met, and that the Board committees are of an appropriate size and comprise the appropriate balance of skills, knowledge and experience, as well as diversity of nationality, age and gender.

In 2023, the NC recommended, and the Board approved the following changes to the composition of the Board committees with effect from 1 November:

- Dr Bonghan Cho, who had previously served as a member of the SBC, was appointed as a member of the BRMC. This will allow the BRMC and BTRC to tap on Dr Bonghan Cho's skills and experience in the technology area more effectively. Concurrently, he stepped down as a member of the AC.
- Mr David Ho stepped down as a member of the BRMC, and was appointed as a member of the AC, leveraging his expertise and experience with regulated financial institutions in Hong Kong and Canada. This ensures that the AC continues to be appropriately constituted with members equipped with the relevant skill sets.

Continuous development programme for all Directors

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

The topics presented to the Board in 2023 as part of the continuous development programme included a training session on the state of generative artificial intelligence and data governance.

Board diversity

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

The main objective of the Board Diversity Policy is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of DBS. The Board Diversity Policy provides that the NC shall endeavour to ensure that female candidates are included for consideration when identifying candidates to be appointed as new directors, with the aim of having not less than two female directors on the Board, and will target to achieve 30% female Board representation by 2030. Currently, two out of 10 directors on the Board (20% of the Board) are female.

The NC is responsible for developing a framework to identify the skills that the Board collectively needs in order to discharge the Board's responsibilities effectively, taking into account the complexity 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 experience; (ii) Financial and commercial acumen; (iii) Governance; (iv) Leadership; (v) Digital Transformation; and (vi) Sustainability.

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

Audit Committee

"In 2023, the AC focused on key audit issues identified by the external auditors and Group Audit, including relevant internal control findings reported at SBC. The AC also reviewed areas where management had applied judgement in the preparation of the Group's financial statements.

The AC also conducted a review of reports from Group Audit and Legal and Compliance, as part of our assessment of the adequacy and effectiveness of the Group's internal controls and risk management systems. With respect to information technology risk management and controls, a comprehensive technology resiliency roadmap had been laid out to address gaps identified following a review by an external consultant and corroborated by internal findings. Consequential changes to the audit plans and resourcing were also considered and approved by the AC as a result of Group Audit's involvement in the SBC.

Sustainability reporting will become increasingly formalised over time, as seen in the sustainability reporting standards issued by the International Sustainability Standards Boards, and the recommendations of the Sustainability Reporting Advisory Committee and the Basel Committee's consultation on a Pillar 3 disclosure framework for climate-related financial risks. I expect this to become a more significant area of focus for the AC over time."

Tham Sai Choy
Chairman, AC

Highlights of AC's activities in 2023

Oversight of financial reporting and disclosure matters

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

The AC reviewed the Group's trading updates and half-yearly financial statements, and recommended these to the Board for approval. The AC also took into account the assurances provided by the CEO and CFO that the financial statements are properly drawn up in accordance with the provisions of the Singapore Banking Act, Singapore Companies Act and Singapore Financial Reporting Standards (International) (SFRS(I)), and that the Group's financial risk management and internal control systems are adequate and effective.

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

- Asset quality and the adequacy of provisions in light of the prevailing economic and political conditions, giving due consideration to the application of the SFRS(I) expected credit loss (ECL) requirements as well as guidance provided by international regulators and the MAS;
- Valuation matters, including assessing the adequacy of valuation reserves and the carrying value of goodwill;
- The financial impact on the integration of Citi Consumer Taiwan, including the fair value of its assets and liabilities, assessment of its asset quality, determination of the provisional goodwill and disclosures on this transaction; and
- Management's assessment of accounting treatment for significant transactions, such as the netting of derivative transactions.

The AC reviewed the Group's audited consolidated financial statements for FY2023 and discussed with management and the external auditor the significant matters which involved management judgement.

Please refer to the table on page 55 for further information on these significant matters. These matters are also discussed in the independent auditor's report on pages 114 to 119.

The AC is of the view that the Group's consolidated financial statements for FY2023 are fairly presented in conformity with the relevant SFRS(I) in all material aspects. The Board has been notified that the Group's external auditor, PricewaterhouseCoopers LLP (PwC), has read and considered the other information (i.e. other than the financial statements and auditor's report thereon) in the annual report, whether financial or non-financial, in accordance with the Singapore Standard on Auditing 720. For the financial year ended 31 December 2023: (i) no material inconsistencies between the other information, the financial statements and PwC's knowledge obtained in the audit; and (ii) no material misstatements of the other information, have been reported.

AC commentary on key audit matters

Significant matters	How the AC reviewed these matters
Specific allowances for loans and advances	<p>The AC reviewed the significant non-performing credit exposures periodically and considered management's judgments, assumptions and methodologies used in the determination of the level of specific allowances required. The AC noted that major weak credits are reviewed by the Board Executive Committee quarterly and presented to the AC. The AC considered the results from Group Audit's independent assessment of the Group's credit portfolios across key markets and credit risk management process. Additionally, the AC was apprised of the external auditor's work over credit, which included sampling across performing, watch-list and non-performing portfolios to assess the appropriateness of the loan ratings and classification, as well as the adequacy of specific allowances where applicable. The AC is of the view that the special allowances that have been set aside for non-performing credit exposures are appropriate.</p>
General allowances for credit losses	<p>The AC reviewed the governance arrangements on the determination of general allowances, including the matters considered by the ECL Review Committee, as well as the key drivers of the quarterly movements in Stage 1 and Stage 2 ECL (General Allowances). These included the changes in portfolio asset quality, prevailing economic and geopolitical conditions, as well as modelled overlays to reflect management's assessment of these factors.</p> <p>The AC noted that ECL models are validated by the Model Validation Team, which also monitors the models' performance, and approved by the Group Credit Risk Models Committee. The AC took into account the external auditor's observations, which included a review of selected portfolios. The external auditor had also assessed the Group's ECL methodologies (including calibrations to account for changes in the risk outlook), processes and controls.</p> <p>The AC, on the back of these reviews, considers the general allowances to be within a reasonable range.</p>
Goodwill	<p>The AC reviewed the methodology and key assumptions driving the cash flow projections that are used in the determination of the value-in-use of the DBS Bank (Hong Kong) Limited franchise, including the macroeconomic outlook. It also assessed the sensitivities of the value-in-use to reasonably possible changes in the valuation parameters. The AC reviewed the fair value adjustments made to the assets and liabilities arising from the acquisition of Citi Consumer Taiwan, along with the intangible assets that were identified and the resultant provisional goodwill. The AC was apprised of the external auditor's observations from its review of management's goodwill impairment assessment, and concurs that there is no impairment as at 31 December 2023.</p>
Valuation matters	<p>The AC reviewed the governance arrangements on valuation matters, including the deliberations of the Group Valuation Committee, as well as the fair value hierarchy of financial instruments held at fair value; the quarterly movements in valuation reserves; the appropriateness of the Group's valuation methodology in light of industry developments; and the overall adequacy of valuation reserves. The AC was apprised of the external auditor's observations from its assessment of the Group's controls over the valuation process, along with its conclusion, based on the result of its independent estimates, that the valuation of financial instruments held at fair value was within a reasonable range of outcomes. The AC considers the valuation process, policies and estimates as adopted and disclosed in the financial statements to be appropriate.</p>

Oversight of Group Audit

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

Please refer to page 60 for details on Group Audit's key responsibilities and processes.

In addition to the findings from the routine audits, the AC was also apprised of the findings from other reviews including the validation of technology remediation actions pursuant to MAS' Directives arising from the disruption of digital banking services in Singapore in November 2021, new fund launched via a variable capital company to retail investors as well as post implementation reviews of a system upgrade in India as well as the integration of Citi Consumer Taiwan. The AC was also updated on the audits in key focus areas such as IT cybersecurity and resiliency that includes the results of the cyber red team simulation conducted to assess DBS' cybersecurity posture across all locations, as well as anti-money laundering (AML)/ counter-financing

of terrorism (CFT) focusing on Customer Due Diligence, Activity Surveillance/ transaction monitoring and reporting.

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

In 2023, there is at least one scheduled private session annually for the Head of Group Audit to meet the AC. In addition, the Chair of the AC meets the Head of Group Audit regularly, at least once every quarter, to review the key audit reports, findings and other significant matters of Group Audit.

Reviewing performance, objectivity and independence of the external auditor

The AC has unfettered access to the external auditor. Separate sessions were held during each of the four quarterly AC meetings in 2023 for the AC to meet with the external auditor without the presence of management to discuss matters that might have to be raised privately.

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

The total fees due to PwC for the financial year ended 31 December 2023 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 auditor have not been impaired by the provision of those services.

Fees relating to PwC services for FY2023	SGD (million)
For audit and audit-related services	10.6
For non-audit services	1.1
Total	11.7

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

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

Based on these considerations, the AC has recommended, and the Board has endorsed, the re-appointment of PwC for shareholders' approval at the 2024 AGM. The Group has complied with Rule 712 and Rule 715 of the SGX Listing Manual in relation to its external auditor.

Board Risk Management Committee

"In 2023, uplift to DBS' technology resiliency was a key area of focus. As the Bank's efforts accelerated over the year, the BRMC provided close guidance, including establishing a sub-committee, the BRMC Technology Risk Committee, for dedicated oversight, and the strengthening of the Three Lines model by including dedicated technology risk management expertise in the second line under the Chief Risk Officer.

Apart from the focus on technology risk, the BRMC continued to oversee DBS' risk governance approach and monitor all key risk areas, including financial crime, cybersecurity, and stress liquidity management. Beyond our regular risk management efforts, the BRMC also assessed the risk implications of key macroeconomic developments and regional geopolitical tensions on our portfolio and funding profile.

Setting the tone from the top to embed a strong risk culture will continue to be critical to DBS' success."

Oliver Lim
Chairman, BRMC

Highlights of BRMC's activities in 2023

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 governance, culture, talent, structure and processes.

The BRMC convened at least quarterly to review the bank's risk profile, risk dashboards and other reports through a structured and consistent agenda format. The BRMC monitored global political and economic events, the impact of interest rate hikes, and other factors that might have material consequences for our business.

In 2023, the BRMC discussed the findings and the impact arising from scenario analyses and portfolio reviews conducted on certain countries and specific sectors, including:

- Inflationary pressures prompting significant rate hikes by central banks resulting in slower economic growth/ recession;
- Prolonged downturn in the China real estate sector leading to increased government support measures; and
- Market volatility in the banking sector due to the crisis in the US regional banking sector and the failure of Credit Suisse.

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

The BRMC also reviewed management's assessment of the impact arising from the following events:

- US-China-Taiwan tensions, particularly in the tech sector and the impact on supply chains due to export restrictions imposed by both US and China;
- Uncertainty over China's economic recovery resulting from weak domestic consumption, the downturn in real estate and RMB depreciation; and
- Conflict between Israel and Hamas and the impact on supply chains and oil prices.

The BRMC was updated on the stress liquidity management and discussed the impact of potential stress outflows over a week. It was kept informed of the utilisation of market risk (for both banking and trading books) and liquidity risk (in all major currencies and legal entities) limits, including the various initiatives to strengthen our liquidity channels and swift access to funding levers whenever required.

The BRMC was advised on the key operational risk profiles of the Group and the continued focus on global trends on financial crime (such as AML/ CFT, and digital scams), risks arising from sanctions evasion, fair dealing and conduct risks as well as the cybersecurity environment.

The BRMC reviewed and approved the risk models governance framework, which covers the development, approval and ongoing performance monitoring. The BRMC received regular updates on risk appetite and economic capital utilisation, and was apprised of regulatory feedback and developments (such as approaches for risk models and capital computation) and Basel requirements. In addition, the BRMC was updated on the action plans following the internal group-wide risk and control culture survey conducted in 2022.

The BRMC was updated on the risk and controls of new businesses (e.g. Emissions Reduction and Crypto Derivatives Business by T&M) as well as the integration progress of Citi Consumer Taiwan.

The BRMC was advised on key findings and learnings from the digital disruptions, and ongoing progress of the initiatives and programme to strengthen technology resiliency. The BRMC also reviewed revisions to the technology risk appetite, the changes to the technology governance framework, as well as resourcing of the technology workforce. The BRMC was updated on the independent validation of remediation actions on incidents undertaken by Group Audit. These discussions included joint sessions between the BRMC and the SBC.

Please refer to the section on 'Risk Management' on pages 80 to 96 for more information on the BRMCs activities.

SBC

Following the disruption to DBS' digital banking services on 29 March 2023 (March Incident), the Board convened the Special Board Committee (SBC) to oversee a full review of the disruption. This review was subsequently extended to cover the disruption to DBS' digital banking services on 5 May 2023 (May Incident).

The SBC was chaired by Mr Olivier Lim and comprised Mr Tham Sai Choy, Dr Bonghan Cho and Mr Chng Kai Fong. The SBC engaged two independent experts to support them: Mr Ajey Gore and Mr Marc Massar, who are senior technology practitioners with relevant expertise.

Highlights of SBC's activities in 2023

The SBC appointed an independent third party, Accenture Pte Ltd (Accenture) in April 2023, to conduct a root cause investigation of the March and May Incidents and a comprehensive review of DBS' digital banking services.

Accenture issued its reports which contained its findings and recommendations from the review to the SBC. The SBC, Board, and management accepted and endorsed the findings and recommendations. Following directions issued by the SBC, management formulated plans that took onboard Accenture's findings and observations (and in certain cases went beyond Accenture's recommendations) as well as the target timelines to complete these plans. These plans and target timelines were approved by the Board and submitted to the MAS.

In January 2024, the SBC was dissolved, and the remaining responsibilities of the SBC were transferred to the BTRC.

Establishment of BRMC Technology Risk Committee (BTRC)

The BRMC Technology Risk Committee (BTRC), a sub-committee of the BRMC, has been set up to assist the BRMC in overseeing the management of technology risk across the Group. Following the dissolution of the Special Board Committee (SBC) in January 2024, the BTRC had assumed the remaining responsibilities of the SBC to oversee the implementation of the plans to uplift DBS Bank's technology resilience and the business continuity management.

Compensation Management Development Committee

"The CMDC reviewed the state of talent and strength of human capital in DBS through a rigorous assessment of our succession plans for our senior leadership positions and the identification, development, compensation and progression of High Potentials (HIPOs). In 2023, our HIPO attrition was 5.9%, while 19% and 34% of our HIPOs took on a new or expanded role respectively.

To future-proof our workforce, the CMDC ensured that robust plans are in place to drive leadership development at all levels, and the continuous upskilling and reskilling of our people. More than 8,100 employees across various markets and functions have been identified to transition to evolved roles in the coming years.

In 2023, as part of our efforts to improve technology resiliency, we have undertaken both immediate and longer-term measures to strengthen technology governance, people and leadership, systems and processes.

The CMDC assured itself that the group scorecard adequately reflected the digital disruptions in 2023 and this was taken into account to determine variable compensation for the Group. The CMDC further ensured that senior management was held accountable for the digital disruptions, with a collective 21% reduction in variable compensation, and the CEO taking a deeper cut of 30%."

Anthony Lim
Chairman, CMDC

Highlights of CMDC's activities in 2023

Group remuneration policy and annual variable pay pool

Please refer to the Remuneration Report on pages 65 to 69 for details on the remuneration of the CEO and DBS' remuneration strategy.

Talent Review and Succession Planning

Our annual talent review and succession planning process, which incorporates detailed input from key leaders, was systematically and rigorously conducted. Talent reviews were conducted at the Business Unit/ Support Unit level with the Group Functional Heads and were subsequently reviewed by the respective Country CEOs. This was followed by further rounds of talent reviews with the Group CEO, GMC and CMDC. This review encompassed a detailed assessment of our organisational structure, strategic capabilities, the talent bench strength required to drive our business outcomes, and succession plans for senior leadership positions.

In reviewing our talent bench strength, the CMDC also evaluated how our High Potentials (HIPOs) were identified, developed, compensated and progressed in their careers with the Bank based on the "3P" framework of Performance, PRIDE! and Potential (which is evaluated through one's ability, aspiration and engagement). This disciplined process ensured that the Bank continues to be able to build a robust succession pipeline.

To develop future leaders with diverse and broad-based critical experiences, we scaled up our Strategic Talent Assignment & Rotation (STAR) Programme, a curated 2-year development programme that broadens the experience of HIPOs through a robust training curriculum and cross-country or cross-functional rotations.

Our commitment to talent development yielded positive results. During the year, our HIPO attrition was 5.9%, with 19% of our HIPOs transitioning to new roles, while 34% assumed expanded responsibilities.

Learning and Leadership

DBS invests heavily in the development of our people as guided by our Triple "E" Development Framework. Areas of focus for learning are determined by reviewing market trends and relevant skills needed to drive our business. Across all our business units and support units, we curated Structured Learning Roadmaps and certification programmes to ensure our workforce possessed the functional knowledge and up-to-date expertise required for their respective roles. To date, we have launched over 30 comprehensive learning roadmaps encompassing a diverse range of skills, such as risk and control, credit assessment, data and digital, product sales and sustainability. Our employees were provided access to educational courses from a library of more than 10,000 curated courses on our learning portal, Learning Hub. Collectively, our employees successfully completed 1.4 million training courses in 2023.

In addition, we initiated the process of equipping our employees with Gen AI skills to enhance their productivity, and to identify and mitigate risks associated with the usage of Gen AI.

To further entrench our transformational leadership culture, in 2023, we conducted over 250 Transformational Sprints, a series of structured experiential workshops that contributed to improved collaboration and greater team effectiveness. Additionally, more than 1,000 leaders participated in T-Circles, which are social learning communities where experienced senior leaders mentor next-generation leaders in leadership best practices.

Strengthening technology resiliency

The Bank continued its efforts to strengthen our resiliency and business continuity. In 2023, we put in place people and leadership changes, including but not limited to the appointment of two Chief Technology Officers, to strengthen technology governance and resiliency.

Group remuneration policy and annual variable pay pool

Please refer to the Remuneration Report on pages 65 to 69 for details on the remuneration of the CEO and DBS' remuneration strategy.

The CMDC reviewed and approved DBS' remuneration policy and the annual variable compensation pool for FY2023, which were also endorsed by the Board. The CMDC provided oversight of the remuneration principles of the CEO, senior executives and control functions to ensure that they remained in line with the Financial Stability Board's guidelines. As part of the review process, the CMDC appraised DBS' performance against the balanced scorecard for the year, and also took into account market trends to ensure that the Group's remuneration remained competitive to the market.

DBS has a robust disciplinary framework linked to individual compensation. The CMDC was apprised of the impact of disciplinary actions on individuals' compensation when approving the annual variable compensation pool and noted that (i) the Group's overall risk management are adequate and effective, and (ii) the 2023 Risk & Culture score from the Kincentric MyVoice survey increased to 93%. DBS' score was 8% higher than the APAC Financial Services Industry and 2% higher than the APAC Best Employer benchmarks.

Non-executive directors' fee structure for FY2023 (unchanged from FY2022)

Basic annual retainer fees	SGD
Board	100,000
Lead Independent Director	75,000
Additional Chairman fees for:	SGD
Board	1,450,000
Audit Committee	90,000
Board Risk Management Committee	90,000
Board Sustainability Committee	65,000
Compensation and Management Development Committee	65,000
Executive Committee	75,000
Nominating Committee	45,000
Additional committee member fees for: (Note: Board committee chairpersons do not get these fees)	SGD
Audit Committee	60,000
Board Risk Management Committee*	60,000
Board Sustainability Committee	42,000
Compensation and Management Development Committee	35,000
Executive Committee	60,000
Nominating Committee	30,000

- No additional fees are payable to directors serving on the BTRC.

Remuneration of Non-Executive Directors

Please refer to pages 43 to 44 for details of remuneration of each Non-Executive Director (including the Chairman) for FY2023.

The CMDC reviewed and recommended a framework to the Board for determining the remuneration of all non-executive Directors which was benchmarked against global and local financial institutions. Unless otherwise determined by the Board, non-executive Directors receive 70% of their fees in cash and the remaining 30% in share awards.

The share awards are not subject to a vesting period, but are subject to a selling moratorium whereby each non-executive Director is required to hold the equivalent of one year's basic retainer fees for his or her tenure as a Director and for one year after the date he or she steps down. The fair value of share grants to the non-executive Directors are based on the volume-weighted average price of the ordinary shares of DBSH over the 10 trading days immediately prior to (and excluding)

the date of the AGM. The actual number of ordinary shares to be awarded is rounded down to the nearest share, and any residual balance is paid in cash. Other than these share awards, the non-executive Directors do not receive any other share incentives or securities under the DBSH Share Plan.

In 2023, the CMDC appointed Willis Tower Watsons (WTW), an independent external remuneration consultant, not connected with DBS or any of the Directors, to conduct a benchmarking of the Directors' remuneration against comparable local and foreign banks and companies. The benchmarking exercise concluded that the existing remuneration structure remains competitive and that no change is necessary. The CMDC had endorsed, and the Board had approved WTW's recommendations.

The table on page 58 sets out the annual fee structure for the non-executive Directors for FY2023. There is no change to the annual fee structure from FY2022. Non-executive Directors are also paid attendance fees

for attending Board and Board committee meetings. Shareholders are entitled to vote on the remuneration of non-executive Directors at the 2024 AGM.

Although the non-executive Directors' fee structure for FY2023 remains unchanged from the previous year, the amount of non-executive Directors' remuneration for FY2023 is approximately 3.75% higher than that for FY2022. The higher remuneration for FY2023 is mainly attributable to the following: (i) increase in BSC meetings (4 meetings compared to 2 in 2022), and (ii) transition between Mr Ho Tian Yee and Mr David Ho on the board of Directors, with Mr David Ho serving on more Board committees.

In addition, Mr Peter Seah (who is also the Chairman of DBS Bank (Hong Kong) Limited) received director's fees of HKD 1,202,000 for FY2023, and Mr Tham Sai Choy (who sits on the board of DBS Bank (China) Limited) received director's fees of CNY 450,000 in FY2023.

None of the Group's employees was an immediate family member of a Director with remuneration exceeding SGD 100,000 in 2023.

Remuneration of Non-Director Members

The remuneration for Dr Ben Caldecott and Mr Marc Massar for their respective services as a Non-Director Member of the BSC and BTRC in FY2023 is SGD 56,000 and SGD 11,027 respectively. Mr Ajey Gore does not receive remuneration as a Non-Director Member of the BTRC.

Board Sustainability Committee

"The BSC continued its effort to provide additional governance and oversight of material ESG matters in respect of our three sustainability pillars, including climate-related matters and our annual sustainability disclosures. This underscores the growing importance of sustainability as a strategic imperative for us and the additional Board level oversight it warrants.

As we further integrate ESG into our business in 2023 to be the Best Bank for a Better World, the BSC will continue to oversee the complex and extensive work done in driving the transition to net zero.

In 2023, we focused on enhancing ESG risk capabilities, including integrating ESG risk assessments into credit risk underwriting, enhancing scenario analysis models for transition climate risk assessment, while driving new business opportunities through innovative financing solutions and strategic ecosystem partnerships."

Piyush Gupta,
Chairman, BSC

Highlights of BSC's activities in 2023

Oversight of Group Sustainability Council

The BSC has direct oversight of the Group Sustainability Council, which is chaired by the

Chief Sustainability Officer and comprises senior members from key business and support units across DBS. The BSC received reports from the Chief Sustainability Officer, which provided the BSC with an update on all material sustainability efforts such as progress on the operationalisation of our net zero commitments, and enhanced sustainability disclosures, among other matters.

Oversight of client engagement on transition planning

As part of DBS' net zero commitments, the BSC was actively involved in reviewing our Scope 3 financed emissions data in our lending portfolios, our approach to client engagement on transition planning, and innovative financing and advisory solutions to better support our clients' decarbonisation efforts, among others.

The BSC was also updated on the enhanced ESG risk capabilities, including engaging clients on environmental and social risk topics, integrating ESG risk assessments into credit risk undertakings, and promoting responsible financing.

Oversight of sustainability reporting and climate-related disclosure matters

In response to the release of a new global reporting standard by the International Sustainability Standards Board (ISSB), the BSC reviewed and approved the workplan towards publishing an ISSB-aligned Sustainability Report that will comply with anticipated regulatory specifications and listing obligations.

In addition, to elevate our commitments and enhance our disclosures on the social agenda, the BSC reviewed and approved the publication of new disclosures relating to gender diversity, equity and inclusion (DEI), that are deemed useful to our stakeholders.

Oversight of other emerging sustainability issues

The BSC also discussed material global themes relevant to DBS and our sustainability strategy, such as the changing sustainability regulatory landscape, global and Asian energy transition, which was addressed at the 28th Conference of the Parties of the United Nations Framework Convention on Climate Change (COP28), and the corresponding risks, opportunities, and impacts to DBS.

Please refer to the Governance chapter in the Sustainability Report 2023 for more details on the sustainability-related governance structure.

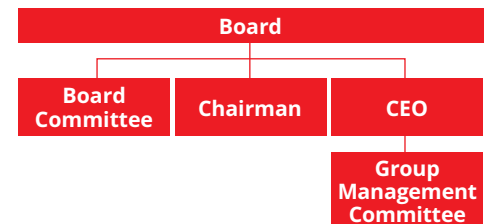
Effective controls

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:

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

Scope of delegation of authority in the GAA



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

Internal controls framework

Our internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems. The Board, supported by the AC and BRMC, oversees the Group's system of internal controls and risk management. DBS adopts the Three Lines Model for risk management, where each line has clear roles and responsibilities.

First line

Our business and support units are our first line. Their responsibilities include the identification and management of risks arising from and relating to their respective areas of responsibilities, and ensuring that our operations remain within approved boundaries of our risk appetite and policies.

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

Second line

Our second line including Risk Management Group and Group Legal and Compliance provide independent risk oversight, monitoring and reporting. They are responsible for the development and maintenance of risk management policies and processes, and they provide objective review and challenge on the activities undertaken by business and support units.

Third line

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

In 2023, we implemented several changes to our Three Lines Model to strengthen technology risk governance:

- (i) To bolster our first line’s ability to identify and manage risk, we established a new Quality Assurance Function within Enterprise Architecture Site Reliability Engineering. This function adds an additional layer of independent verification, controls, and checks over the Bank’s change management process;

- (ii) For more objective review and effective challenge, we moved a dedicated Technology Risk Management team, with new leadership and expanded expertise, into the second line (within the Risk Management Group); and
- (iii) In order to ensure a robust third line, we increased the resources allocated to the audit of information technology. This allows our third line to continue to provide an independent assessment and assurance on the reliability, adequacy, and effectiveness of technology risk management governance, controls and processes.

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

Group Audit

Key responsibilities and processes

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

- evaluating the reliability, adequacy and effectiveness of the Group’s system of internal controls, risk management, governance framework and processes;
- providing an objective and independent assessment of the Group’s credit portfolio quality, the execution of approved credit portfolio strategies and control standards relating to credit management processes;
- reviewing whether DBS complies with laws and regulations and adheres to established policies; and
- reviewing whether management is taking appropriate steps to address control deficiencies.

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

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

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

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

Audit reports containing identified issues and corrective action plans are reported to the AC and senior management. Progress of the corrective action plans is monitored, and past due action plans are included in regular reports to the senior management and the AC. In all routine audits, Group Audit evaluates the control environment and management’s control

awareness which incorporates risk culture as guided by the Financial Stability Board’s Guidance on Sound Risk Culture.

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

Quality assurance and key developments

In line with leading practices, Group Audit has a quality assurance and improvement programme (QAIP) that covers its audit activity and conforms to the International Standards for the Professional Practice of Internal Auditing. As part of the QAIP, internal quality assurance reviews (QAR) are conducted quarterly, and external QAR are carried out at least once every five years by qualified professionals from an external organisation. In 2023, Ernst and Young (EY) was appointed to conduct the external QAR. Based on EY’s assessment, Group Audit leads the industry in the use of data analytics and digital tools in its audit activities such as risk assessment, fieldwork and reporting. In EY’s maturity model assessment, Group Audit was also rated the highest level for Purpose, People, Risk assessment and Planning; Reporting, Enablement and Innovation; and Impact, Influence and Involvement.

In 2023, Group Audit advanced the digitalisation of its documentation process using its workbench. The new process was piloted regionally and with some enhancements, a full roll out will be implemented in due course. In 2023, Group Audit also took on the additional task as Secretariat to the Special Board Committee (SBC), and supported the evaluation and appointment of an independent reviewer as well as its regular meetings to oversee the implementation of rectification measures pursuant to MAS directives on the digital disruptions.

To strengthen and uplift industry-wide auditing (internal & external) of AML/ CFT Risk, the AML Audit Peer Group (AAPG), co-chaired by DBS/ OCBC was formed and made good progress under the guidance of MAS, to gather insights from Internal and External Audit firms with the objective of setting a set of baseline standards and best practices for adoption.

Rule 720(1) Undertaking

In compliance with Rule 720(1) of the Listing Manual, we have procured undertakings from all of our Directors and executive officers to use their best endeavours to (a) comply with the relevant provisions of the Listing Manual; and (b) procure that DBS complies with the relevant provisions of the Listing Manual.

Dealings in securities

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

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

GMC members are only allowed to trade in DBS' securities within specific window periods (15 market days immediately following the expiry of each black-out period) subject to pre-clearance. GMC members are also required to obtain pre-approval from the CEO

before any sale of DBS' securities. Similarly, the CEO is required to seek pre-approval from the Chairman before any sale of DBS' securities. As part of our commitment to good governance and the principles of share ownership by senior management, the CEO is expected to build up and hold at least the equivalent of three times his annual base salary as DBS shares over time.

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

Related Party Transactions and Interested Person Transactions

DBS has embedded procedures to comply with regulations governing related party transactions and interested party transactions.

For related party transactions, we are required to comply with regulations prescribed by the MAS which set out the definition, scope and general principles governing such transactions, along with the responsibilities of banks to maintain oversight and control so as to mitigate the risk of abuse arising from conflicts of interest.

We have established a Board-approved framework to give effect to these regulatory requirements. This, along with material related party transactions, is reviewed by the Board regularly.

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.

With respect to interested party transactions, we have established processes to comply with the requirements outlined in Chapter 9 of the SGX-ST Listing Manual. The aggregate contract values of DBS' interested person transactions entered into in 2023 are set out in the table on page 62.

DBS enters into various interested person transactions with Temasek and its associates on arm's length commercial terms and for the purpose of carrying out day-to-day operations (such as leasing of premises, telecommunication/ data services, IT systems

and related services, redemption of air miles by DBS/ POSB credit card holders, logistics and security services).

In FY2023, our contracts with Temasek Holdings (Private) Limited Group amounted to an aggregated SGD 27.4 million. This accounted for less than 0.05% of DBS' audited net tangible assets.

Material contracts

Save for the transactions disclosed in the table on page 62 and via SGXNET, there were no material contracts involving the interest of any Director or controlling shareholder of DBS entered into by DBS or any of its subsidiary companies, which are either still subsisting at the end of the financial year, or if not then subsisting, entered into since the end of the previous financial year.

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 attestations on their compliance with the overall internal controls framework. Based on the RCSA and the quarterly and annual attestations, the CEO and the key management personnel responsible for risk management and internal control systems provide an annual attestation to the AC relating to the adequacy and effectiveness of DBS' risk management and internal control systems.

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

Name of interested person	Aggregate contract value of all interested person transactions in 2023 (excluding transactions less than SGD 100,000) (SGD million)
Transactions entered into with Temasek Holdings (Private) Limited ("Temasek") Group (including Joint Ventures) and DBS	
Temasek Group	27.4⁽¹⁾
Transactions entered into with associates of Temasek	
CapitaLand Investment Limited Group	94.5
CapitaLand Development Pte Ltd Group	13.4
Certis CISCO Security Pte Ltd Group	3.5
Mediacorp Pte Ltd Group	1.4
SATS Ltd Group	7.9
Singapore Airlines Limited Group	0.4
Singapore Technologies Engineering Ltd Group	0.3
Singapore Technologies Telemedia Pte Ltd Group	0.1
Singapore Telecommunications Limited Group	27.8
SMRT Corporation Ltd Group	2.0
StarHub Ltd Group	37.4
Surbana Jurong Private Limited Group	31.0
Temasek Management Services Pte Ltd Group	0.6
Tower Capital PE Fund I LP Group	49.3
Total	297.0

(1) This category includes investments made directly by Temasek in joint ventures where DBS is also a shareholder.

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 2023, the Group's financial records have been properly maintained, and the financial statements give a true and fair view of DBS Group's operations and finances.

The Board has also received assurance from the CEO and the key management personnel responsible for risk management and internal control systems that, as at 31 December 2023, the Group's risk management and internal control systems were adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations. However, but without limiting the foregoing, management has highlighted that, arising from the review of the digital disruptions in 2023, four main areas with respect to information technology risk management and controls, namely, change management, system resiliency, incident management, and technology governance and oversight, will have to be further strengthened.

In this regard, the Board noted that management had drawn up a comprehensive technology resiliency roadmap to address the gaps that had been identified. In particular:

- (i) **Change management:** Change management controls are being tightened and a near-production environment will be created to allow for more robust testing before going live with new changes or release.
- (ii) **Enhancing system resiliency:** To ensure that key services have minimal downtime, potential failure scenarios and possible remediation actions are identified. Some of these actions, such as having a warm standby or increased redundancy, have been implemented. Other system changes, which are more structural in nature, are work-in-progress.
- (iii) **Incident management:** In the last year, having built comprehensive diagnostic capabilities, real-time monitoring data and alerts are now being leveraged as part of the incident management process.

- (iv) **Technology risk governance:** To strengthen technology risk governance and oversight, a new sub-committee of the Board Risk Management Committee called the BRMC Technology Risk Committee has been established. To enhance independent checks and balances, the Technology Risk Management team was transferred to the Risk Management Group.

For further details on the various technology resiliency improvements (including those being progressively implemented), please refer to the Letter from the Chairman and CEO under "Enhancing our technology resilience" on page 10, the CIO Statement under "Driving the resiliency and reliability of our technology" on pages 34 and 35 and the CRO Statement under "Rebuilding Customer Trust with Enhanced Technology Resilience" on pages 32 to 33.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by management and

various Board committees, as well as assurances received from and mitigation and remedial actions undertaken by management in relation to the identified gaps, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 December 2023 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations.

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

Strong culture

Effective safeguards

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

- **Tone from the top:** The tone set by the Board and senior management is vital; it is equivalent to the moral compass of the organisation. In addition to having in place comprehensive policies, we conduct a robust self-assessment on the Group's risk culture. Please refer to the risk culture section on this page for more information.
- **Aligning strategies and incentives via the balanced scorecard:** Please refer to the section on "Our 2023 priorities" on pages 26 to 31 for more information.
- **Respecting the voice of control functions:** We believe that respect for the voice of control functions is a key safeguard. We ensure that control functions are well integrated into our organisational structure so that they can properly discharge their responsibilities.
- **Risk ownership:** Please refer to page 59 to 60 for details on our Three Lines Model.
- **Established escalation protocols:** We established a notification protocol that makes it mandatory for staff to report significant incidents, demonstrating our organisational readiness to receive unfavourable information, and undertake prompt remedial actions without any adverse consequences for those reporting the incidents.

- **Encouraging constructive challenges at all levels:** Fundamentally, we inculcate a culture that encourages constructive challenges and debate, where all views are evaluated for decision-making. We also operate a culture where we actively engage the Board for their views early.
- **Reinforcing cultural alignment:** Finally, we conscientiously reinforce our cultural norms by rewarding right behaviours and censuring wrong ones.

Risk Culture

Risk culture is closely intertwined with our corporate values, and it encompasses the general awareness, attitudes and behaviour of our employees towards risks. The results of our Risk Culture and Conduct Survey conducted in 2023 indicated a satisfactory risk culture bank-wide.

In 2023, we continued to monitor our risk culture pulse with a risk culture and conduct dashboard, comprising multi-faceted indicators. Creating awareness remained a key focus as we continue to reinforce 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 Code of Conduct sets out the principles and standards of behaviour that are expected of employees of the Group (including part-time and temporary employees) when dealing with customers, business associates, regulators and colleagues. The principles covered in the Code of Conduct include professional integrity, confidentiality, conflicts of interests, fair dealings with customers and whistle-blowing. It also defines the procedures for employees of DBS to report incidents and provides protection for those staff for these disclosures.

All employees of DBS are required to read and acknowledge the Code of Conduct on an annual basis. Members of the public may access the Code of Conduct on DBS' website at the following URL: <https://go.dbs.com/CodeOfConduct>. The Code of Conduct encourages employees of DBS to report their concerns to DBS' dedicated, independent investigation team within Group Compliance which handles whistle-blowing cases according to a well-defined protocol. Alternatively, in case of actual or potential conflict of interest or fear of retribution, employees of DBS may write in confidence to Human Resources, Group Audit, or even the

CEO or the Chairman. In addition, employees of DBS have the option of using the DBS Speak Up service.

Whistle-blowing policy

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

DBS Speak Up service includes:

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

Accountability to our shareholders

Shareholder rights

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

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

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

Engagement with shareholders

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

During the year, we held over 450 meetings with equity investors and over 120 meetings with debt investors. We participated in 21 investor conferences and road shows. These engagements were conducted through in person or virtual meetings. These meetings provide a forum for management to explain DBS' strategy and financial performance, and solicit analysts' and investors' perceptions of DBS. We also held an investor day in May 2023 to showcase our digital transformation efforts since the previous investor day in 2017. The event drew physical participation from 45 firms and was well received by analysts and fund managers that attended.

In addition, to ensure Directors are kept updated on analysts' views on DBS Group's performance, the Board is updated annually on, *inter alia*, the following, a summary of analysts' views, feedback and recommendations, share price performance and total shareholders' return.

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

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.

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, handsets are provided 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 interact with 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.

The Company Secretary prepares minutes of general meetings, which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and management. These minutes may be assessed via our website.

Conduct of 2024 AGM

We will be holding a wholly physical AGM in 2024.

Where to find key information on each Director?

In this Annual Report:

- Pages 43 to 44 - Directors' independence status, appointment dates, meeting attendance and remuneration details
- Pages 188 to 192 - Directors' length of directorship, academic and professional qualifications and present and past directorships
- Pages 212 to 217 - Additional Information on Directors seeking re-election at the Annual General Meeting to be held on 28 March 2024

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