

Remuneration report

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

1 Objectives of DBS remuneration strategy

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

At DBS, remuneration is determined based on the Group's performance, which is evaluated against a balanced scorecard. The scorecard is detailed and comprises specific key performance indicators (KPIs), including how we fare against shareholder, customer and employee indicators; as well as a range of focus areas such as progress in transforming the bank, scaling growth across our markets, managing risks etc. DBS PRIDE!^{*} values are also taken into account in order to drive desired behaviours.

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

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

Read more about the balanced scorecard in *Our 2023 priorities* on page 26.

^{*} Read more on our PRIDE!^{*} values on page 71.

2 Summary of current total compensation elements

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

Elements	Purpose	Details
Salary	<ul style="list-style-type: none"> Attract and retain talent by ensuring our fixed pay is competitive vis-à-vis comparable institutions 	<ul style="list-style-type: none"> Set at an appropriate level, taking into account market dynamics as well as skills, experience, responsibilities, competencies and performance of the employee Typically reviewed annually
Cash bonus and deferred awards	<ul style="list-style-type: none"> Provide a portion of total compensation that is performance-linked Focus employees on the achievement of objectives which are aligned to value creation for our shareholders and multiple stakeholders Align to time horizon of risk 	<ul style="list-style-type: none"> Based on DBS, business or support unit, and individual performance Measured against a balanced scorecard which is agreed to at the start of the year A Group-wide deferral approach is applicable for all employees. Awards in excess of a certain threshold are subject to a tiered deferral rate with a minimum deferred quantum For Senior Management (SM) and Material Risk Personnel (MRP i.e. employees whose actions have a material impact on the risk exposure of the bank), awards are generally deferred by a minimum of 40% if it exceeds a certain threshold subject to local regulatory requirements

3 Determination of variable pay pool

DBS has a robust process in place in determining the variable pay pool. The variable pay pool is derived from a combination of a bottom-up and top-down approach. Annually, Management does a self-evaluation on the Group's performance against the balanced scorecard. This is presented to the Compensation and Management Development Committee (CMDC) who assesses the performance, based on which it approves the variable pay pool, which is subsequently endorsed by the Board of Directors (Board).

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

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

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

4 Deferred remuneration

Plan objectives	Details
<ul style="list-style-type: none"> Foster a culture that aligns employees' interests with shareholders Enable employees to share in DBS' performance Help in talent retention 	<ul style="list-style-type: none"> Deferred remuneration is paid in restricted shares (DBSH Share Plan) except for SM and MRPs, where it is paid in restricted shares (DBSH Share Plan) and cash Deferred remuneration comprises two elements: the main award and retention award The retention award constitutes 15% of the main award and is designed to retain talent and compensate staff for the time value of deferral Deferred awards vest over four years, and will lapse immediately upon termination of employment (including resignation) except in the event of ill health, injury, disability, redundancy, retirement or death

Vesting schedule	Malus of unvested awards and clawback of vested awards
<p>Main Award</p> <ul style="list-style-type: none"> 25% vest on each anniversary after grant date <p>Retention Award</p> <ul style="list-style-type: none"> 100% vest four years after grant date 	<p>Malus and/ or clawback will be triggered by</p> <ul style="list-style-type: none"> Material violation of risk limits Material losses due to negligent risk-taking or inappropriate individual behaviour Material restatement of DBS' financials due to inaccurate performance measures Misconduct or fraud <p>Vested and unvested awards are subject to clawback within seven years from the date of grant</p>

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

Special Award is awarded to selected individuals as part of talent retention, and it is subject to three-year vesting period, with 33% vesting on the first and second anniversaries of grant and 34% on the third anniversary.

Read more about the Share Plan on page 111.

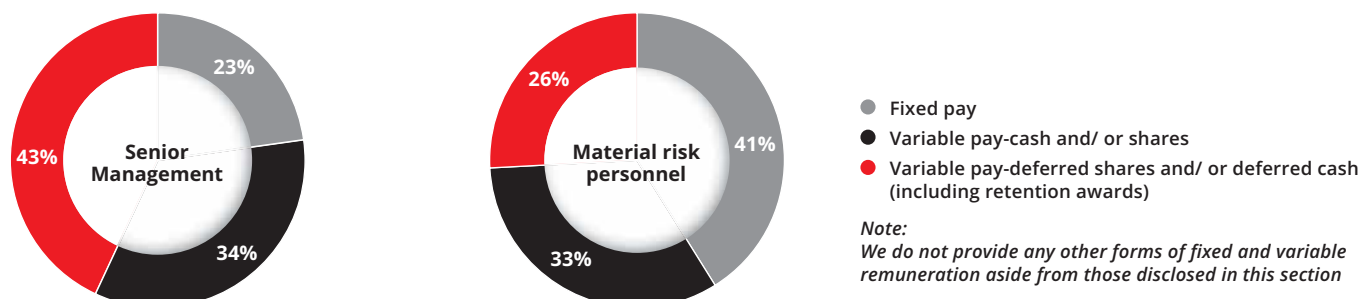
5 Summary of 2023 remuneration outcomes

Our remuneration is linked to how we perform against our balanced scorecard which is aligned to long-term value creation for our stakeholders in a sustainable way (see pages 70 to 71).

Senior management and material risk takers

In line with the principles set out by FSB, a substantial portion of remuneration for our Senior Management as well as Material Risk Personnel are variable. Their variable remuneration is subject to deferral, thus ensuring alignment to the time horizon of risks.

The following charts show the mix of fixed and variable pay for both groups for performance year 2023:



Our Senior Management's aggregate total compensation (salary, cash bonus and deferred awards), excluding that of the CEO which is separately disclosed, amounted to SGD 63.5 million in 2023, a reduction from SGD 73.8 million in 2022. The total variable pay for Senior Management including CEO was reduced by 21% reflecting Senior Management's accountability for the digital disruptions.

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

Breakdown of deferred remuneration awards

Category	SM ⁽¹⁾	MRPs ⁽²⁾
Total outstanding deferred remuneration⁽³⁾:		
Cash	9.3%	
Shares and share-linked instruments	90.7%	
Other forms of remuneration	–	
Total	100%	
Outstanding deferred and retained remuneration⁽³⁾⁽⁴⁾:		
Of which exposed to ex-post adjustments		
Cash	9.3%	
Shares and share-linked instruments	90.7%	
Other forms of remuneration	–	
Total	100%	
Total amendment during the year due to ex-post explicit adjustments⁽⁵⁾:		
Cash	–	–
Shares and share-linked instruments	–	–
Other forms of remuneration	–	–
Total	–	–
Total amendment during the year due to ex-post implicit adjustments⁽⁵⁾:		
Cash	–	–
Shares and share-linked instruments ⁽⁶⁾	(6.8%)	0.5%
Other forms of remuneration	–	–
Total	–	–
Total deferred remuneration paid out in the financial year:	35.1%	30.8%
Headcount	22	344

- (1) Senior Management (SM) is defined as the CEO and members of the Group Management Committee who have the authority and responsibility for DBS' overall direction and executing to strategy
- (2) In accordance to MAS's Individual Accountability & Conduct Guidelines, MRPs are defined as employees whose duties require them to take on material risk on our behalf in the course of their work and/ or employees who can cause harm to a significant segment of customers or other stakeholders. These can be either individual employees or a group of employees who may not pose a risk to DBS' financial soundness on an individual basis, but may present a material risk collectively
- (3) Due to data confidentiality, the total amount of deferred and retained remuneration for SM and MRPs have been aggregated for reporting. In addition to shares deferral, cash deferral has been implemented across all locations with effect from Feb 2023
- (4) Retained remuneration refers to shares or share-linked instruments that are subject to a retention period under a share retention policy
- (5) Examples of explicit ex-post adjustments include malus, clawbacks or similar reversal or downward revaluations of awards. Examples of implicit ex-post adjustments include fluctuations in the value of DBSH ordinary shares or performance units
- (6) [No. of unvested DBSH ordinary shares as at 31 Dec 2023 x share price as at 29 Dec 2023]/ [No. of unvested DBSH ordinary shares as at 31 Dec 2022 x share price as at 30 Dec 2022] -1

Guaranteed bonuses, sign-on bonuses and severance payments

Category	SM	MRPs
Number of guaranteed bonuses	0	0
Number of sign-on bonuses	0	3
Number of severance payments	0	0
Total amounts of above payments made during the Financial Year (SGD '000)	0	1,570

Other provisions

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

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

Chief Executive Officer

Since becoming CEO in November 2009, Piyush Gupta has transformed DBS into a leading Asian bank with multiple engines of growth, a strong digital focus and a culture of innovation – all underpinned by a deep sense of purpose.

In 2023, the bank had a record year, with total income crossing the SGD 20 billion mark for the first time. Net profit of SGD 10.3 billion and return on equity of 18.0% were at new highs. The bank's solid financial performance was not just a reflection of the macroeconomic environment, but also a result of the structural shifts made in the last decade to digitalise the bank and grow new lines of business.

DBS continued to cement its presence in Asia. Following the integration of Lakshmi Vilas Bank, the bank's India platform is now the most complete outside of Singapore. In Taiwan, the bank successfully integrated Citigroup Inc.'s consumer banking business in August 2023, and is now the largest foreign bank by assets.

DBS' focus on Managing through Journeys matured during the year. The use of artificial intelligence/ machine learning (AI/ ML) also continued to gain traction. The bank has deployed over 350 use cases, and more than doubled the economic value from AI/ ML to SGD 370 million.

Employee engagement as measured by Kincentric's MyVoice scores reached a record 90%.

On the sustainability front, DBS accelerated its climate agenda through enhanced client engagement on transition planning, financing and ecosystem partnerships. To improve the lives of the underprivileged, the bank pledged to give up to SGD 1 billion over the next 10 years to suitable causes.

In 2023, DBS was recognised by Global Finance as one of the top five World's Most Innovative Banks. Euromoney named DBS the World's Best Bank for Corporate Responsibility. DBS was also named as Safest Bank in Asia by Global Finance for the 15th consecutive year.

While the bank fared well against most priorities on its balanced scorecard, it fell short in technology resiliency. This, and the resultant impact on customers and the franchise, were taken into account when determining the scorecard performance of both the Group and the CEO. Despite record 2023 profits and outperformance in many areas, the gaps in technology resiliency resulted in a lower scorecard appraisal by the Board compared to the previous year.

Given the scorecard performance, as well as the Board's determination that the CEO and other Group Management Committee members' variable pay should be cut to hold them accountable for the digital disruptions, Mr Gupta's present-year remuneration is as outlined below:

Breakdown of remuneration for performance year 2023 (1 January – 31 December)

	Salary SGD	Cash bonus ⁽¹⁾ SGD	Deferred Award ⁽²⁾ SGD	Others ⁽³⁾ SGD	Total ⁽⁴⁾ SGD
Mr Piyush Gupta	1,500,000	4,109,000	5,551,000	72,992	11,232,992

(1) The amount has been accrued in 2023 financial statements

(2) Of the deferred award, about 17.4% will be in cash, while the remaining will be in the form of shares.

At DBS, ordinary dividends on unvested shares do not accrue to employees. For better comparability with other listed companies, this figure excludes the estimated value of retention award amounting to SGD 832,650 which serve as a retention tool and compensate staff for the time value of deferral. This is also similar in nature to practices in those companies which provide accrual of dividends/ interest equivalents for deferred awards

(3) Represents non-cash component and comprises club, car and driver

(4) Refers to performance remuneration for 2023 – includes fixed pay in 2023, cash bonus received in 2024 and DBSH ordinary shares granted in 2024