

**DBS GROUP HOLDINGS LTD**

**15<sup>th</sup> Annual General Meeting &  
Extraordinary General Meeting**

**28 April 2014**

# ***Creating Shared Value***

**Piyush Gupta, Chief Executive Officer**

**April 28, 2014**

# DBS' strategic intent:

## The *Asian Bank of Choice* for the *New Asia*

### WHAT WE DO

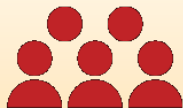
- **Asia-centric commercial bank**, distinct from local lenders or global players
- Intermediate trade and investment flows between Asia's 3 key axes of growth – **Greater China, South Asia and Southeast Asia**
- **Universal bank** in Singapore
- Other markets:
  - **Corporate/Investment banking**
  - **SME banking**
  - **Wealth management**

### WHERE WE DO IT

Over **250** branches across **17** markets <sup>(a)</sup>



### WHY WE DO IT



**Multiple stakeholders approach:**

**Creating shareholder value & shared value for customers, staff and communities**

<sup>(a)</sup> As of 31 December 2013

Branches include sub-branches and centres. DBS also has branches and outlets in London, Los Angeles and Dubai. In addition, DBS Vickers has offices in Singapore, Hong Kong, Indonesia, Thailand, UK and US.

# How we create value

## HOW WE BANK

### *Banking the Asian Way*



Asian Relationships



Asian Connectivity



Asian Service



Asian Innovation



Asian Insights

## WHAT GUIDES US INTERNALLY



Leadership and effective corporate governance



Effective risk management



Values-led culture

## HOW WE MEASURE OURSELVES

### *Balanced scorecard approach:*

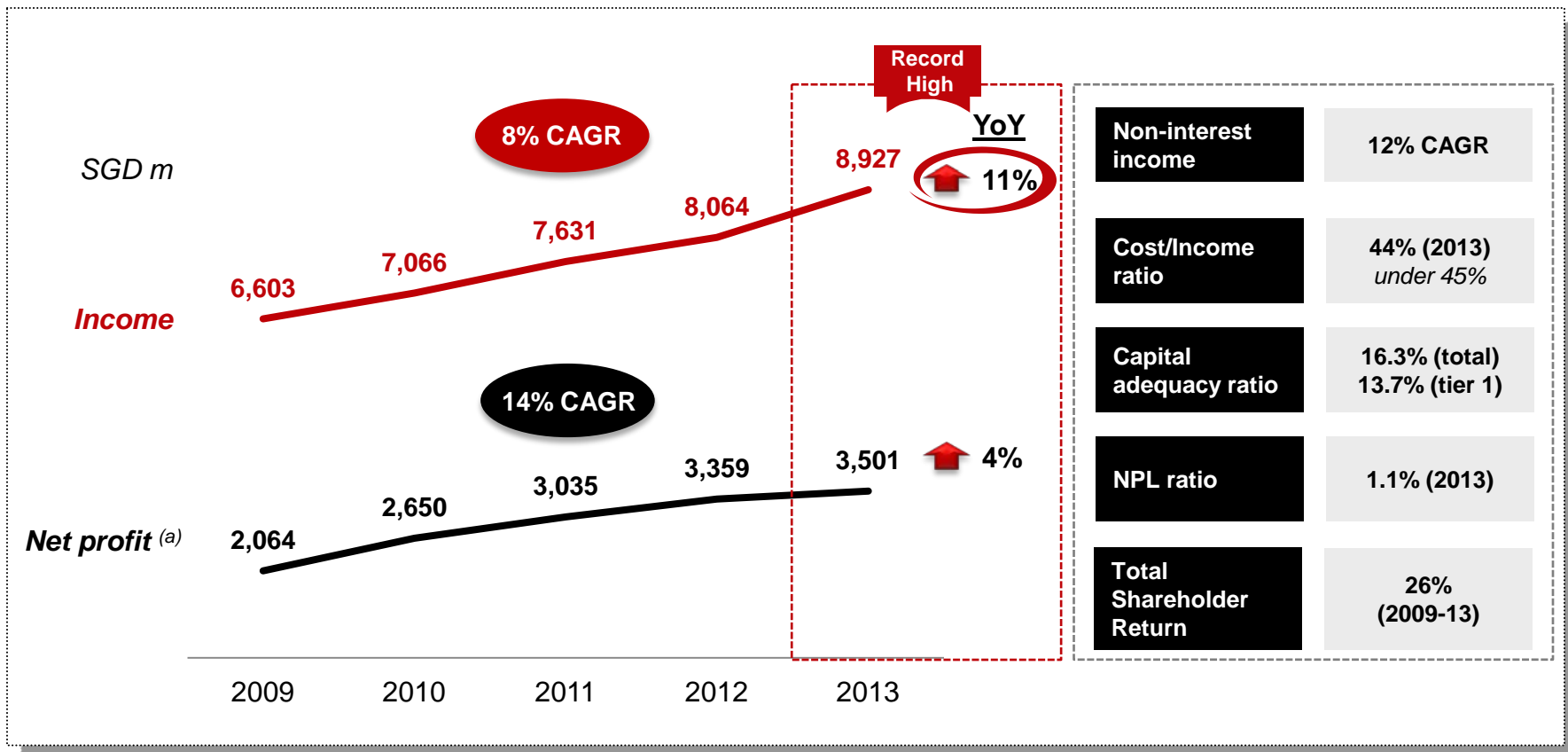
*Aligned across all businesses, markets, support functions and used to measure performance*

Business Unit	Strategic Objectives	Key Performance Indicators (KPIs)
Global Business Unit	Financial Performance	Revenue Growth, Profit Margin, Return on Assets
Regional Business Unit	Operational Efficiency	Cost Reduction, Process Improvement, Customer Satisfaction
Support Functions	Human Capital Management	Employee Retention, Training Hours, Diversity Metrics
Other Business Units	Environmental, Social & Governance (ESG)	Carbon Footprint, Social Impact, Governance Score

# Our balanced scorecard

	Shareholder	Customer	Employee
Traditional KPIs 50%	<b>Achieve sustainable growth</b> <ul style="list-style-type: none"> <li>Income growth</li> <li>Manage expenses</li> <li>Returns</li> <li>Portfolio risk</li> <li>Controls and compliance</li> </ul>	<b>Position DBS as Bank of Choice</b> <ul style="list-style-type: none"> <li>Increase wallet share</li> <li>Customer satisfaction</li> </ul>	<b>Achieve sustainable growth</b> <ul style="list-style-type: none"> <li>Employee engagement</li> <li>People development</li> </ul>
	Strategic Priorities 50%	<b>Geographies</b>	Entrench leadership in Singapore
Reposition Hong Kong			
Rebalance geographic mix of our business			
<b>Regional businesses</b>		Build a leading Small and Medium Enterprise (SME) Banking business	
		Strengthen wealth proposition	
		Build out transaction banking and treasury customer businesses	
<b>Enablers</b>		Place customers at the heart of the banking experience	
		Focus on management processes, people and culture	
		Strengthen technology and infrastructure platform	
<b>Other areas of focus</b>		Scale up institutional investor and western MNC businesses	
		Build a leading Asian fixed income business	
		Leverage innovation to extend customer reach and offer differentiated client experience	
	Champion social entrepreneurship in Singapore and across Asia		

# 2013 earnings at record



**Higher final dividend pay-out proposed: in line with sustained earnings growth**

(a) Exclude one-time items and goodwill charges

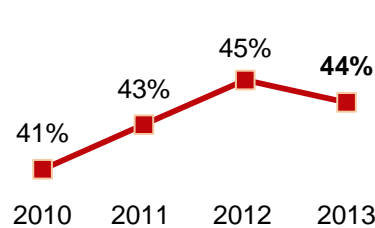
# Shareholder KPIs

Traditional KPIs 50%	<b>Shareholder</b>	<ul style="list-style-type: none"> <li>Achieve sustainable growth                             <ul style="list-style-type: none"> <li>Income growth</li> <li>Manage expenses</li> <li>Return</li> <li>Portfolio risk</li> <li>Controls and compliance</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Customer</li> <li>Grow DBS as Bank of Choice</li> <li>Increase wallet share</li> <li>Customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Employee</li> <li>Achieve sustainable growth                             <ul style="list-style-type: none"> <li>Employee engagement</li> <li>People development</li> </ul> </li> </ul>
	Strategic Priorities 50%	<ul style="list-style-type: none"> <li>Geographies                             <ul style="list-style-type: none"> <li>Enrich leadership in Singapore</li> <li>Reposition Hong Kong</li> <li>Rebalance geographic mix of our business</li> </ul> </li> <li>Regional businesses                             <ul style="list-style-type: none"> <li>Build a leading Small and Medium Enterprise Banking (SME) business</li> <li>Strengthen wealth proposition</li> <li>Build out transaction banking and treasury customer businesses</li> <li>Place customers at the heart of the banking experience</li> </ul> </li> <li>Enablers                             <ul style="list-style-type: none"> <li>Focus on management processes, people and culture</li> <li>Strengthen technology and infrastructure platform</li> <li>Scale up institutional investor and western MNC businesses</li> <li>Build a leading Asian fixed income business</li> </ul> </li> <li>Other areas of focus                             <ul style="list-style-type: none"> <li>Leverage innovation to extend customer reach and offer differentiated client experience</li> <li>Champion social entrepreneurship in Singapore and across Asia</li> </ul> </li> </ul>		

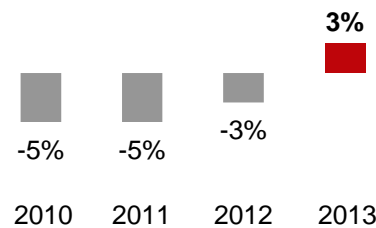
**1. Grow income: \$8.9b**, at record, non-interest and net interest income at new highs

**2. Manage expenses:** Cost-income ratio better than target of 45%

Cost-income ratio



Income-expense JAWs



*Positive JAWs after 3 years of franchise investments*

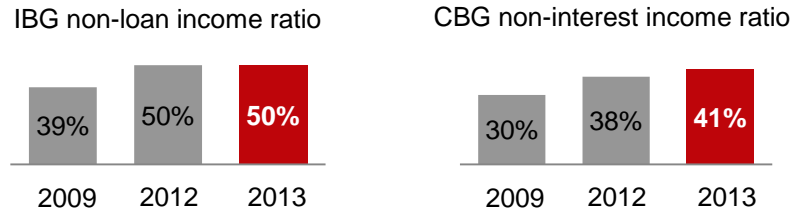
**3. Manage portfolio risk:** Grow exposures prudently. Portfolio quality healthy

**4. Improve returns:** 10.8% ROE, double-digit return in low interest rate environment

# Customer KPIs

Traditional KPIs 50%	Shareholder	<ul style="list-style-type: none"> <li>Achieve sustainable growth</li> <li>Income growth</li> <li>Manage expenses</li> <li>Ratings</li> <li>Portfolio risk</li> <li>Controls and compliance</li> </ul>	<ul style="list-style-type: none"> <li>Position DBS as Bank of Choice</li> <li>Increase wallet share</li> <li>Customer satisfaction</li> </ul>	Employee	<ul style="list-style-type: none"> <li>Deliver sustainable growth</li> <li>Employee engagement</li> <li>People development</li> </ul>
	Strategic Priorities 50%	Geographies	<ul style="list-style-type: none"> <li>Reposition Hong Kong</li> <li>Rebalance geographic mix of our business</li> <li>Build a leading Small and Medium Enterprise Banking (SME) business</li> </ul>	Regional businesses	<ul style="list-style-type: none"> <li>Strengthen wealth proposition</li> <li>Build out transaction banking and treasury customer businesses</li> <li>Place customers at the heart of the banking experience</li> </ul>
	Enablers	<ul style="list-style-type: none"> <li>Focus on management processes, people and culture</li> <li>Strengthen technology and infrastructure platform</li> <li>Scale up institutional investor and western MNC businesses</li> </ul>	Other areas of focus	<ul style="list-style-type: none"> <li>Build a leading Asian fixed income business</li> <li>Leverage innovation to extend customer reach and offer differentiated client experience</li> <li>Champion social entrepreneurship in Singapore and across Asia</li> </ul>	

## 5. Increase wallet share of individual and corporate customers



## 6. Customer satisfaction improved across Institutional Bank and Consumer Bank



*Delivering on our customer promise*



Top Rank Bank for Customer Satisfaction, Singapore



Innovative Service Delivery – ATMs, Asia Channel Excellence in Internet Banking – Cross Border, Asia



Service Excellence Award (Both in Mobile Services & Customer Experience), Asia-Pacific

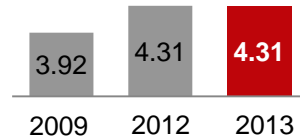


# Employee KPIs

Traditional KPIs 50%	Shareholder	Customer	<b>Employee</b>
	<ul style="list-style-type: none"> <li>Achieve sustainable growth                             <ul style="list-style-type: none"> <li>Income growth</li> <li>Manage expenses</li> <li>Return</li> <li>Portfolio risk</li> <li>Control and compliance</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Position DBS as Bank of Choice                             <ul style="list-style-type: none"> <li>Increase wallet share</li> <li>Customer satisfaction</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Achieve sustainable growth</b> <ul style="list-style-type: none"> <li><b>Employee engagement</b></li> <li><b>People development</b></li> </ul> </li> </ul>
Strategic Priorities 50%	Geographies	<ul style="list-style-type: none"> <li>Entrench leadership in Singapore</li> <li>Reposition Hong Kong</li> <li>Rebalance geographic mix of our business</li> </ul>	
	Regional businesses	<ul style="list-style-type: none"> <li>Build a leading Small and Medium Enterprise Banking (SME) business</li> <li>Strengthen wealth proposition</li> </ul>	
	Enablers	<ul style="list-style-type: none"> <li>Build out transaction banking and treasury customer businesses</li> <li>Place customers at the heart of the banking experience</li> <li>Focus on management processes, people and culture</li> <li>Strengthen technology and infrastructure platform</li> </ul>	
	Other areas of focus	<ul style="list-style-type: none"> <li>Scale up Institutional Investor and western MNC businesses</li> <li>Build a leading Asian fixed income business</li> <li>Leverage innovation to extend customer reach and offer differentiated client experience</li> <li>Champion social entrepreneurship in Singapore and across Asia</li> </ul>	

## 7. Maintain high employee engagement

Gallup Q<sup>12</sup> grand mean score



Ranked among **Top 10%** of all companies surveyed by Gallup globally

## 8. People development

**1/3** of high potential senior employees with new job assignments or expanded roles

More than **one in three** leaders are women



**Building a high performance organisation**



Great Workplace Award, Global  
(2 consecutive years)



Best Employee Engagement, Asia

# Geographic KPIs

Shareholder	Customer	Employee
Achieve sustainable growth • Income growth • Manage expenses • Rating • Portfolio risk • Controls and compliance	Position DBS as Bank of Choice • Increase wallet share • Customer satisfaction	Achieve sustainable growth • Employee engagement • People development
<b>Geographies</b> Entrench leadership in Singapore Reposition Hong Kong Rebalance geographic mix of our business		
Regional businesses	Strengthen wealth proposition Build out transaction banking and treasury customer businesses Place customers at the heart of the banking experience	
Enablers	Focus on management processes, people and culture Strengthen technology and infrastructure platform Scale up institutional investor and western MNC businesses	
Other areas of focus	Build a leading Asian fixed income business Leverage innovation to extend customer reach and offer differentiated client experience Champion social entrepreneurship in Singapore and across Asia	

## 1. Entrench leadership in Singapore: Record income and earnings

**\$5.4b** **↑ 9%** *Double-digit growth excl. regional trading income*



**Leading the way in our home market**



Best Bank



Best Investment Bank



Best Bond and Equity House



Best Local Private Bank

**AsiaRisk**

House of the Year



Best Transaction Bank



Best FX Bank



Retail Bank of the Year

# Geographic KPIs

Shareholder	Customer	Employee
Additional KPIs 50% Achieve sustainable growth • Income growth • Manage expenses • Rating • Portfolio risk • Controls and compliance	Position DBS as Bank of Choice • Increase wallet share • Customer satisfaction	Achieve sustainable growth • Employee engagement • People development
<b>Geographies</b> • Strengthen leadership in Singapore • Reposition Hong Kong • Rebalance geographic mix of our business		
Strategic Priorities 50% Regional businesses Enablers Other areas of focus	Strengthen wealth proposition Build out transaction banking and treasury customer businesses Place customers at the heart of the banking experience Focus on management processes, people and culture Strengthen technology and infrastructure platform Scale up institutional investor and western MNC businesses Build a leading Asian fixed income business Leverage innovation to extend customer reach and offer differentiated client experience Champion social entrepreneurship in Singapore and across Asia	

## 2. Reposition Hong Kong: Anchor of Greater China franchise

**\$1.9b**    **↑ 22%**  
Income and Earnings at new highs

## 3. Rebalance geographic mix across growth markets

**\$1.2b**    **↑ 8%**  
China, India, Taiwan, Indonesia



**Making a name for ourselves in the region**

**Hong Kong**



SME Bank of the year

**Hong Kong**



Best Wealth Management

**China**



Best Small Business Lending (Foreign)  
Best Consumer Bank (Foreign)

**Taiwan**



Best Domestic/Cross-border  
Cash Management Provider  
– Small Corporates

**Indonesia**



Best Treasury & Working  
Capital Bank –  
MNC/Large Corporate

**India**



House of the year

Income from Hong Kong and regional countries <sup>(a)</sup> now **39%** of Group

<sup>(a)</sup> Markets outside Singapore

# Regional Business KPIs

	Shareholder	Customer	Employee
Traditional KPIs 50%	Achieve sustainable growth <ul style="list-style-type: none"> <li>Income growth</li> <li>Manage expenses</li> <li>Return</li> <li>Portfolio risk</li> <li>Controls and compliance</li> </ul>	Position DBS as Bank of Choice <ul style="list-style-type: none"> <li>Increase wallet share</li> <li>Customer satisfaction</li> </ul>	Achieve sustainable growth <ul style="list-style-type: none"> <li>Employee engagement</li> <li>People development</li> </ul>
Geographies	Entrench leadership in Singapore Reposition Hong Kong		
Strategic Pillars 50%	<b>Regional businesses</b> Build a leading Small and Medium Enterprise Banking (SME) business Strengthen wealth proposition Build out transaction banking and treasury customer businesses		
Enablers	Focus on management processes, people and culture Strengthen technology and infrastructure platform Scale up institutional investor and western MNC businesses		
Other areas of focus	Build a leading Asian fixed income business Leverage innovation to extend customer reach and offer differentiated client experience Champion social entrepreneurship in Singapore and across Asia		

## 4. Build a leading SME banking business

**\$1.4b**  **11%** *A record*



**Partnering SMEs for regional growth**



Best Global Cash Management Bank  
in Asia Pacific - Small Corporates



Best for Emerging Corporates in  
Asia Pacific (Trade Finance)



Best Bank for Small Business  
Lending (Foreign) in China



SME Bank of the year in  
Hong Kong



Best Foreign Bank for SMEs  
in China

# Regional Business KPIs

Traditional KPIs 50%	Shareholder	Customer	Employee
	Achieve sustainable growth <ul style="list-style-type: none"> <li>Income growth</li> <li>Manage expenses</li> <li>Return</li> <li>Portfolio risk</li> <li>Controls and compliance</li> </ul>	Position DBS as Bank of Choice <ul style="list-style-type: none"> <li>Increase wallet share</li> <li>Customer satisfaction</li> </ul>	Achieve sustainable growth <ul style="list-style-type: none"> <li>Employee engagement</li> <li>People development</li> </ul>
Strategic Priorities 50%	Geographies	Entrench leadership in Singapore Reposition Hong Kong	
	Regional businesses	Build a leading Small and Medium Enterprise Banking (SME) business Strengthen wealth proposition Build out transaction banking and treasury customer businesses	
	Enablers	Focus on management processes, people and culture Strengthen technology and infrastructure platform Scale up institutional investor and western MNC businesses	
	Other areas of focus	Build a leading Asian fixed income business Leverage innovation to extend customer reach and offer differentiated client experience Champion social entrepreneurship in Singapore and across Asia	

## 5. Strengthen wealth proposition

**\$924m**  **18%** *A new high*

Acquiring Societe Generale's Asia private banking business: **\$16b AUM**



**Becoming the wealth manager of choice**



Best Private Bank in Singapore



Best Wealth Management in Hong Kong



Best Mobile Apps Strategy (Global)

Rank 2013	Bank	Total Points (over 100)
1	DBS Bank	50
2	Capital One	49
3	Societe Generale	48
4	ABN Amro	48
5	Wells Fargo	48



Best Wealth Manager in Indonesia

Income from SME and Wealth account for **26%** of Group income

# Regional Business KPIs

	Shareholder	Customer	Employee
Traditional KPIs 50%	Achieve sustainable growth <ul style="list-style-type: none"> <li>Income growth</li> <li>Manage expenses</li> <li>Returns</li> <li>Portfolio risk</li> <li>Controls and compliance</li> </ul>	Position DBS as Bank of Choice <ul style="list-style-type: none"> <li>Increase wallet share</li> <li>Customer satisfaction</li> </ul>	Achieve sustainable growth <ul style="list-style-type: none"> <li>Employee engagement</li> <li>People development</li> </ul>
Geographies		Entrench leadership in Singapore Reposition Hong Kong	
Strategic Pillars 50%		<b>Build a leading Small and Medium Enterprise Banking (SME) business</b> <b>Strengthen wealth proposition</b> <b>Build out transaction banking and treasury customer businesses</b>	
Enablers		Focus on management processes, people and culture Strengthen technology and infrastructure platform Scale up institutional investor and western MNC businesses	
Other areas of focus		Build a leading Asian fixed income business Leverage innovation to extend customer reach and offer differentiated client experience Champion social entrepreneurship in Singapore and across Asia	

## 6. Build out transaction banking: Income at record

**\$1.4b** (a) **↑ 4%**

**Deposits: ↑ 26%**

## 7. Build out treasury customer business: Income at record

**\$1.0b** **↑ 19%**

**Customer income :  
50% of total treasury income**



### Winning suite of products and solutions



Most Innovative Transaction Bank in Asia Pacific



Best Global Cash Management Bank in Asia Pacific - Small Corporates



Best in Receivables Financing, Asia Pacific



Best FX Bank in South East Asia



Best Broker in Southeast Asia



Derivatives House of the Year Singapore

*Income from transaction banking and treasury customer business account for **28%** of Group income*

(a) Trade and cash income, trade and cash are part of the transaction banking business

Stepping up our game in innovation

Welcome to the  
future of banking  
I'm **New Asia**. How can I help you?



Leveraging digital technologies to reach customers across Asia

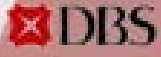
**\$200 million investment over 3 years**


New digital banking organisation to spearhead transformation



# Committed to helping Singapore and Asia transform

*Our Roots –  
a rich Singapore lineage*

 1968 – to help Singapore industrialise

 1877 – The People's Bank:  
'Neighbours first,  
bankers second'

**Marking Singapore's 50th year  
with \$50 million Foundation**


*Giving back to society in a  
sustainable manner*

**Championing Social Enterprises**

*Building a more inclusive society*

**National Gallery Singapore  
\$25 million**

*Embracing Singapore's past,  
Shaping Singapore's future*

 **Grants since 2012: \$2m  
59 SEs**

 **200 SEs showcased  
at DBS' events**

 **DBS SE Banking Package  
– First and only in Asia**



**Best CSR Practices  
in Asia**



# Proud to be **Asia's Safest, Asia's Best**



**Best Bank in Asia Pacific**



**Best Managed Bank  
in Asia Pacific**



**Safest Bank in Asia  
(2009 – 2013)**

**STANDARD  
& POOR'S**

**MOODY'S**

**AA-**

**Aa1**

**Credit ratings among the  
highest in Asia Pacific**



**Most valuable brand  
in Singapore**



**Winner, Singapore Corporate  
Governance Award**