

**DBS GROUP HOLDINGS LTD**

**17<sup>th</sup> Annual General Meeting**

**28 April 2016**

**Piyush Gupta**  
**Chief Executive Officer**  
**28 April 2016**



**Live More,**  
**Bank Less**

*We turned in another set of record earnings despite challenging economic conditions in the second half*

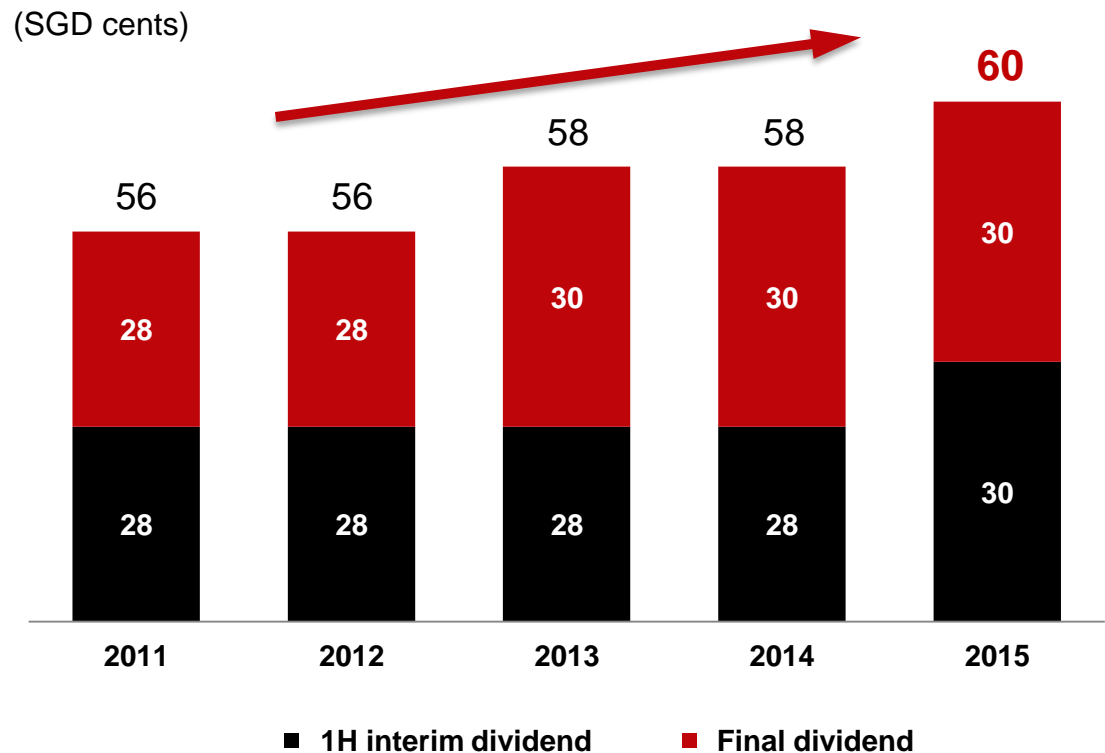
## 2015 Financial Performance

(SGD m)	FY2015	YoY	
Net interest income	7,100	12%	
Non-interest income	3,687	12%	
<b>Total income</b>	<b>10,787</b>	<b>12%</b>	<b>RECORD HIGH</b>
Expenses	4,900	13%	
Allowances	743	11%	
<b>Net profit</b>	<b>4,318</b>	<b>12%</b>	<b>RECORD HIGH</b>
One-time items	136	(31%)	
<b>Net profit including one-time items</b>	<b>4,454</b>	<b>10%</b>	<b>RECORD HIGH</b>

*Our dividend policy is to pay sustainable dividends while maintaining capital ratios consistent with regulations and the expectations of rating agencies, investors and other stakeholders*

## Dividends

The Board has proposed a final dividend of 30 cents per share for approval. This will bring the full-year dividend to **60 cents per share** compared to **58 cents per share** a year ago.



# Our Balanced Scorecard: 2015 Priorities

## Traditional Key Performance Indicators (KPIs) (50%)

### Shareholders

#### Achieve sustainable growth

- Financial outcomes
- Risk-related control and compliance KPIs

### Customers

#### Position DBS as Bank of Choice

- Depth of customer relationships
- Customer satisfaction

### Employees

#### Position DBS as Employer of Choice

- Employee engagement
- People development

## Strategic Priorities (50%)

### Geographies

- Entrench leadership in Singapore
- Continue to expand Hong Kong franchise
- Rebalance geographic mix of our business

### Regional Businesses

- Build a leading SME<sup>1</sup> banking business
- Strengthen wealth proposition
- Build out transaction banking and treasury customer business

### Enablers

- Place customers at the heart of the banking experience
- Focus on management processes, people and culture
- Strengthen technology and infrastructure platform

### Other Areas of Focus

- Making Banking Joyful agenda
- Bancassurance partnership
- Expansion plans for growth markets: China, India and Indonesia

### Regulators

**Contribute to the stability of the financial system**

### Society

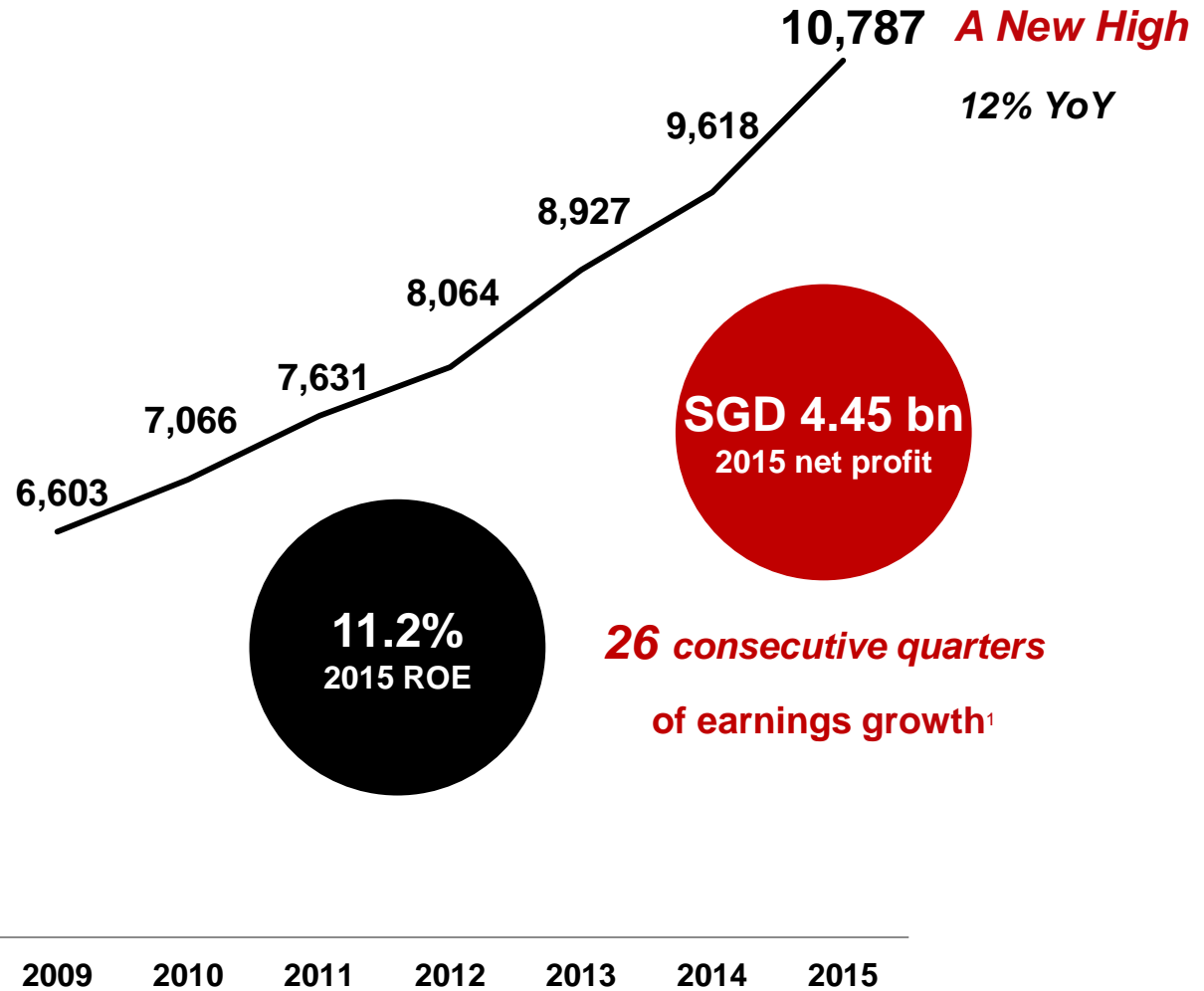
**Enhance the communities we serve**

<sup>1</sup> SME: Small and medium enterprise

*Results demonstrate the resilience of our franchise, underpinned by multiple business engines, a solid balance sheet and prudent risk management*

## Shareholder **KPIs**

Income  
(SGD m)

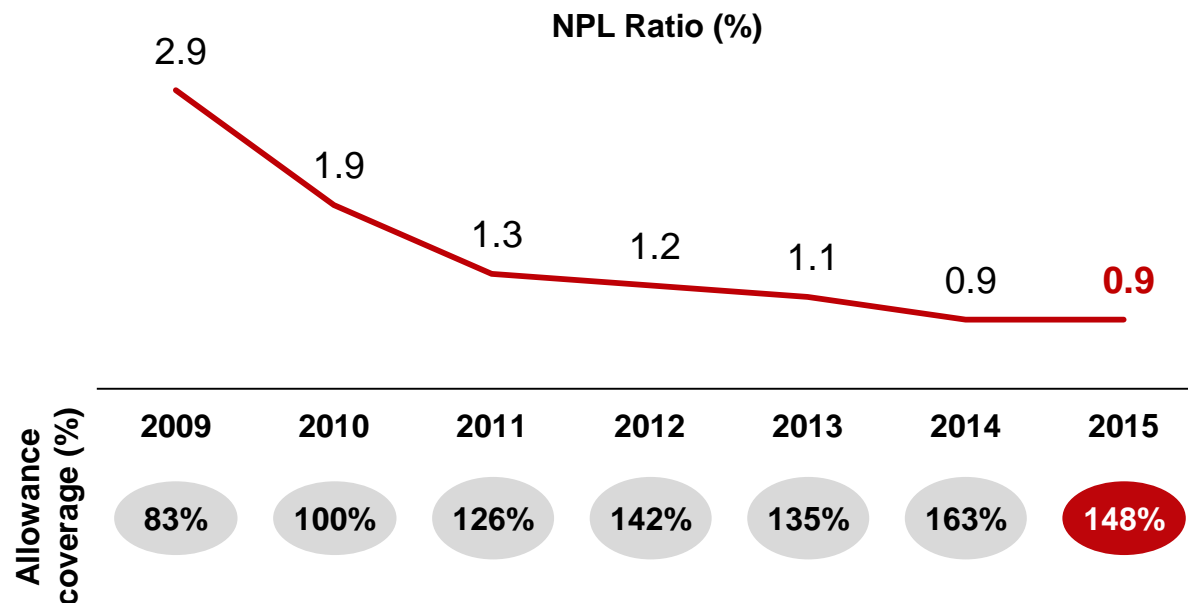


<sup>1</sup> Exclude one-time items and goodwill charges

## Managing Risk

*“Given the challenging operating environment, the Board and senior management are very pleased with how we were able to manage our risks and still grow the business sensibly”*

*~ Chairman Peter Seah*



### *Continue to strengthen the way we manage risk*

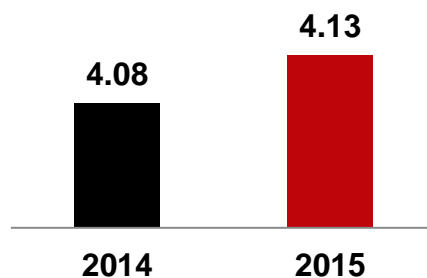
- Improved customer selection criteria for markets and industries
- Continued to be prudent in loans underwriting
- Enhanced portfolio oversight and stress tested
  - Oil & Gas, Commodities, Housing loan, China, India portfolios
- Remained on top of regulatory trends and changes

# Customer KPIs

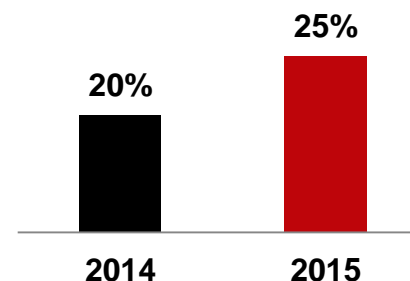
*We seek to seamlessly integrate banking into customers' everyday lives so that banking becomes simpler and they have more time to spend on people or things they care about*

## Customer engagement scores

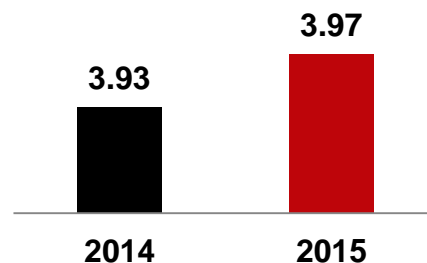
### SME<sup>1</sup>



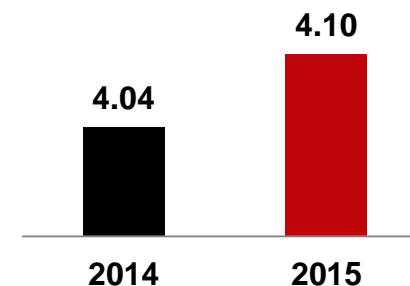
### % of Large Corporates using DBS as a core bank<sup>2</sup>



### CBG<sup>3</sup>



### Wealth<sup>3</sup>



<sup>1</sup> Customer engagement scores (1 = worst, 5 = best) based on SME surveys

<sup>2</sup> A survey of more than 500 large corporates in Asia by Greenwich

<sup>3</sup> Customer engagement index (1 = worst, 5 = best)

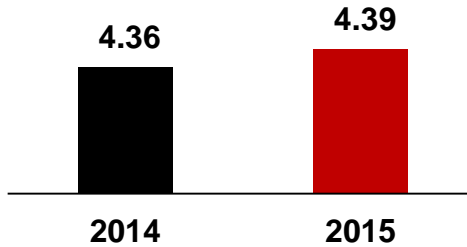


*We are committed to building an engaged, more diverse and future-ready workforce that will allow us to be agile and spearhead the transformation of banking*

## Employee KPIs

### Establishing a strong culture

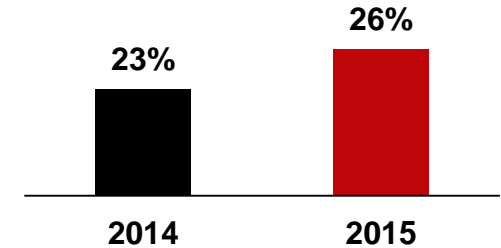
Q12 grand mean score



- 79% of employees are engaged based on My Voice survey by Aon Hewitt
- Higher than Asia-Pacific Financial Services Industry score

### Building a future-ready workforce

Mobility: positions filled internally



- Enable our employees to broaden their exposure across businesses and markets

### Launched DBS Academy to drive innovative learning



**Maintained leadership  
across customer segments  
and products**

# Geographic KPIs

**Singapore:** Achieved new highs in income and net profit

**Income SGD 6.7bn**

**POSB Neighbours first, bankers second**

## Market position

*Maintained leadership...*

- Savings
- Housing loans
- Credit cards
- Auto loans
- Capital markets

*Gaining market share...*

- Unsecured loans
- Bancassurance
- SME

## For children and families

*POSB National School Savings Campaign*

## For the community

*'Fare Free' Friday*



## For seniors

*POSB Active Neighbours Programme*

## SMS "Q"

*— No more waiting in line at the branch!*

*Free up customers' time*



*Best Bank*

*Best Investment Bank*

*Best Retail Bank*

*Singapore Loan House*

*Best Private Bank*

*Best Equity House*

*Best Corporate Bank*

*Best E-bank*



*Continue to expand the Hong Kong franchise and build out our franchises in China, Taiwan, India and Indonesia to achieve a more balanced geographic mix*

## Geographic KPIs

**Hong Kong:** Capturing opportunities in the domestic market and China-related flows

**Income SGD 2.3bn**



Best e-Bank



Best Retail Bank



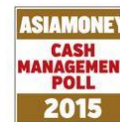
Best SME Bank

**China, Taiwan, India and Indonesia:** Build out our franchises with large corporates, SMEs, institutional investors, affluent individuals

**Income SGD 1.5bn**



Best Consumer Bank (Foreign), China



Best Foreign Cross-Border Cash Management Services in Taiwan



Best Overall Treasury & Cash Management Bank, India  
Best Wealth Manager, Indonesia

**38% of income from outside Singapore**

*Strong growth across  
regional businesses  
and products*

## Regional Business **KPIs**

Cash/SFS<sup>1</sup> Income



*Mitigating market-driven decline  
in trade finance volumes*

Wealth Income



**New high: #6** among  
wealth managers in Asia by AUM<sup>2</sup>

### Manulife Partnership



*15-year partnership covering Singapore,  
Hong Kong, China and Indonesia*

<sup>1</sup> Security and Fiduciary Services

<sup>2</sup> Assets under Management

**Strong growth across  
regional businesses  
and products**

## Regional Business **KPIs**

### Equity<sup>1</sup>

- #1** Singapore IPOs *57% market share*
- #1** Asia ex-Japan REITs *32% market share*

### Fixed Income<sup>1</sup>

- #1** SGD bonds *maintained*
- #3** Asian Local Currency<sup>2</sup> bonds *vs #5 last year*
- #13** Asia ex-Japan G3 Currency bonds *vs #16 last year*

### M&A<sup>3</sup>

- #5** Singapore *maintained*
- #5** Southeast Asia *vs #7 last year*

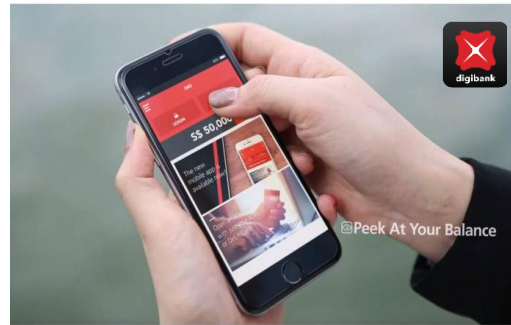
<sup>1</sup> Source: Bloomberg

<sup>2</sup> Include: HKD, IDR, INR, KRW, MYR, PHP, SGD, THB, TWD, VND

<sup>3</sup> Source: MergerMarket; Excludes Avago's acquisition of Broadcom in 2015. Although Avago is domiciled in Singapore, it is listed on the NASDAQ stock exchange and the majority of its business operations reside in the US

*We invest heavily in technology, a crucial business differentiator, which allows us to be nimble, resilient and innovative*

## Harnessing Digital Technology



### DBS digibank SG

*Made for the way we live today with **Peek Balance**, **Touch ID***



### DBS Remit

*Transfer funds anytime, anywhere*



### POSB 'Talking' ATM

*With Braille and audio to aid visually impaired and elderly customers*



**Apply for a Corporate Account online in 5 minutes**

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*Digital can be a game  
changer and extend our  
reach into the larger  
geographies*

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ONE SMALL ICON FOR MAN

ONE GIANT LEAP FOR BANKING



*We believe in contributing to society by generating profits responsibly and creating social value*

## Giving Back To **The Community**

### Fair dealing

#### **Committed to:**

- Communicating in a clear and transparent manner
  - *Simplified sales documentation*
- Selling suitable products to customers

### Financial Inclusion

- Offer subsidised banking services to the young, silver-haired, national servicemen and people under public assistance schemes
- The primary bank for migrant workers in Singapore

### Responsible citizenship



**'People of Purpose':** Corporate volunteerism programme

- 27,000 hours regionally

### Creating social value



**DBS Foundation:** Championing social entrepreneurship

- 16 SEs<sup>1</sup> in 7 countries

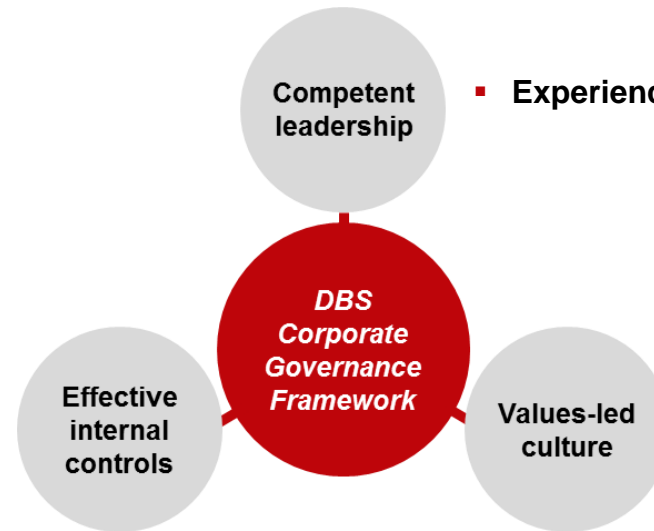
<sup>1</sup> Social enterprises



# Corporate Governance

**“The Board owes a duty to shareholders to provide oversight and to guide management in developing strategies of the business and the implementation of the strategy... The Board should always be there to support and guide”**

**~ Chairman Peter Seah**



- Experienced and diverse Board
- Covers financial, operational, compliance, IT controls and risk management policies
- Three lines of defence
- Beyond a “tick-the-box” mentality
- Remuneration policy aligned to balanced scorecard and in line with the FSB’s guidelines and the Code of Corporate Governance



ASEAN Corporate Governance Award  
– Top 5 ASEAN Companies



Best Investor Relations  
– Gold Award



Corporate Governance Award  
Board Diversity Award  
Most Transparent Company  
– Finance Category  
– Golden Circle Award  
Internal Audit Excellence  
– Hall of Fame

# Asia's best



**Safest Bank in Asia  
(2009-2015)**



**Asian Bank of  
the Year**



**Best Asia  
Commercial  
Bank**

**Best Asia  
Investment  
Bank**



**Best Wealth  
Manager in Asia  
(2014-2015)**



**Regional House of  
the Year**

# Making a mark globally



**Best Invoice Discount  
Management, Global  
(2014-2015)**



**Best Transaction Bank for  
Trade Finance Services,  
Global**



**Most Innovative Private  
Bank in the World**



**Best Mobile App Portfolio,  
Global  
(2013-2015)**



**Great Workplace  
Award, Global  
(2013-2015)**