

DBS GROUP HOLDINGS LTD
(Incorporated in the Republic of Singapore)

Minutes of the Seventeenth Annual General Meeting (hereinafter referred to as the “AGM” or the “Meeting”) of DBS Group Holdings Ltd (hereinafter referred to as “DBS” or “the Company”) held at Marina Bay Sands Expo and Convention Centre, Level 3, Heliconia main ballroom, 10 Bayfront Avenue, Singapore 018956 on Thursday, 28 April 2016 at 10.00 am.

Present:		
<u>Board of Directors</u> Mr Peter Seah (Chairman) Mr Piyush Gupta Dr Bart Broadman Ms Euleen Goh Mr Ho Tian Yee Mr Nihal Kaviratne CBE Mrs Ow Foong Pheng Mr Andre Sekulic Mr Danny Teoh	<u>Group Executive Committee</u> Mrs Chng Sok Hui Mr Elbert Pattijn Ms Tan Su Shan Mr Sim S. Lim Ms Jeanette Wong <u>Company Secretaries</u> Mr Goh Peng Fong Ms Khuza Suparto	<u>Auditor</u> Ms Karen Loon – PricewaterhouseCoopers <u>Independent Scrutineer</u> Tricor Evatthouse Corporate Services

AGM/1/2016 Quorum

A quorum being present, the Chairman of the Meeting called the AGM to order.

AGM/2/2016 Notice of Meeting

With the consent of the Meeting, the notice convening the AGM (“Notice”) was taken as read.

The Chairman of the Meeting invited the Chief Executive Officer, Mr Piyush Gupta, to present the financial results of the Company.

Mr Gupta briefed the meeting on the following: (i) overview of DBS’ record financial performance in 2015, (ii) DBS’ dividend policy, which is to pay sustainable dividends while maintaining capital ratios consistent with regulations and the expectations of rating agencies, investors and other stakeholders, (iii) DBS’ priorities in 2015 as set out in the balanced scorecard and key performance indicators as they relate to shareholders, customers, employees, geographic focus, regional businesses, risk management and controls (iv) highlights of how DBS has harnessed digital technology through DBS digibank and other initiatives, (v) DBS’ commitment and efforts to give back to the community through DBS Foundation and other initiatives, (vi) DBS’ strong focus on robust corporate governance framework and practices, and (vii) regional and global recognition received in 2015 for DBS’ various achievements.

The Chairman of the Meeting invited shareholders to raise questions before each resolution was put to vote by way of poll.

Ordinary Business

AGM/3/2016 Resolution 1 – Directors' Report and Audited Financial Statements for the year ended 31 December 2015 and the Auditors' Report

A shareholder commented that, in the last five years, DBS has performed well. He asked the Board for insights on the areas of growth for the Company in the coming years in view of potential headwinds. The Chairman responded that DBS will continue to be an Asia-focused bank, and that the Company sees growth opportunities in Singapore as well as in other large markets in the region such as China, Indonesia and South Korea. On managing short-term headwinds, the Chairman said that DBS will continue to be resilient in view of the Company's very prudent risk management approach. The Chairman pointed out that, despite a challenging year arising from the slowdown in China as well as pressures in the oil and gas sector, DBS was able to achieve a record profit in 2015.

Mr Gupta added that DBS continues to see opportunities in three distinct segments: (1) the large corporate businesses in Asia which are expanding, such as those in China and India, (2) the small and medium enterprises (SME) segment; which DBS has performed well in Singapore, Hong Kong and southern China, and hopes to continue to build in the growth markets, and (3) the consumer and wealth segment, where there are tremendous opportunities from harnessing digital in this space. Mr Gupta shared that there is potential for this segment to out-perform in the next two years. However, from a medium term view, segmental growth is expected to be quite balanced.

Responding to the shareholder's question on whether the Company will consider acquisitions as a means to expand its business, particularly in Malaysia and Indonesia, the Chairman shared that DBS is always open to new opportunities and it will continue to carefully consider how these could add value to the strength of its franchise. The Chairman pointed out that DBS' acquisition of the Asian private banking business of Societe Generale in 2014 is an example of an opportunity which has contributed a lot of value to the Company. The Chairman highlighted DBS' digitisation initiatives as a complementary growth strategy that is pursued to grow its business in geographies where the Company's physical presence is not large. For example, DBS had recently launched the digibank app in India.

In response to a shareholder's comment that the Company does not have significant presence in Malaysia and Indonesia, Mr Gupta added that DBS' operations in Indonesia is comparable in size to those of the other two Singapore banks.

With respect to the possible ramifications from the potential unfavourable developments in the United States and Europe, the Chairman commented that DBS' exposures to Europe and the United States are relatively small. Nonetheless, the Chairman agreed that the impact of events in the United States to the rest of the world is significant. The Chairman highlighted that the focus for DBS is Asia, and the Company has been fine-tuning its strategies to prepare for a slowdown in economic growth.

On asset quality, the Chairman said that the Board of Directors provides close oversight on DBS' credit exposures. In addition, DBS' general provisions are above the MAS 612 requirements and also in excess of the amount that could be admitted as Tier 2 capital under MAS 637. DBS' non-performing loans coverage has increased from about 80% (in 2009) to over 140% currently. Hence, for every dollar of non-performing loans, DBS' coverage is \$1.40. Mr Gupta added that shareholders could refer to the newly-added 'Chief Risk Officer's Statement' on page 78 of DBS Annual Report 2015 to understand how DBS proactively identifies and monitors top and emerging risks.

Responding to a shareholder's question on whether DBS would consider issuing a special dividend to commemorate the Singapore jubilee, the Chairman highlighted that in 2015, DBS had raised its full year dividend by 2 cents to 60 cents per share. In addition to delivering an adequate level of shareholder returns, retention of earnings to fortify its capital strength is also one of the key priorities of the Company in view of the uncertainty in further capital requirements arising from the evolving Basel regulations. The Chairman also highlighted DBS' initiatives to commemorate SG50 such as its \$25m donation to the National Gallery Singapore.

A shareholder asked about the impact of changes to the onshore and offshore Renminbi (RMB) rates on DBS' trade finance business. Mr Gupta said that DBS' had grown its trade finance business over the last few years on the back of cheaper RMB financing in Singapore and HK. In the more recent periods, RMB funding offshore has become more expensive, and hence China related trade finance volumes have declined. The run-off in trade volumes is being activity managed by growing non-trade loans. As well, the trade product has helped DBS to establish very good relationships with many of the mainland companies and to support them with other banking services.

On whether there is a time lag between movements in the Singapore Interbank Offered Rate (SIBOR) or Swap Offer Rate (SOR) and DBS' net interest margin, Mr Gupta said that typically, when SIBOR or SOR rises, loan yields get re-priced but there will be a lag of about 3 months before the impact is seen in margins.

Mr Gupta also shared his views on an opinion by a Swiss hedge fund manager who had claimed that Singapore might be headed for a banking crisis due to China's economic woes. On an observation made by the Swiss hedge fund manager that Singapore's loan books had grown sharply in the past five years, Mr Gupta pointed out that the biggest growth had in fact come from offshore lending because of the trade finance deals booked in Singapore, and that these deals were not funded by Singapore money but financed by the sale of commercial papers and by raising money offshore. Hence, they posed no risks to the Singapore banking system. The Chairman added that, in addition to Singapore being a 'AAA' rated country, the three Singapore banks are among the highest rated banks in the world.

A shareholder referred to Page 91 of the DBS Annual Report 2015 which showed a breakdown of concentration risk according to industry groups. The shareholder noted that DBS' industry concentration exposure to housing loans was around 20% in 2015. He asked

whether there is room for DBS to increase its housing loans exposure in Singapore given the regulatory limit on Singapore banks' property-related exposures of 35% of their total exposures. In response, Mr Gupta highlighted that in Singapore, all owner-occupied housing loans are exempted from the said regulatory limit. Hence, DBS is well within the said limit because the largest portion of DBS' housing loans portfolio is owner-occupied.

In response to the shareholder's question on DBS' trading income, Mr Gupta highlighted that the Company's trading income had shifted towards a higher proportion of treasury customer sales as a result of a conscious strategy by the Company to make its income less volatile. Income from trading activities is currently about 10% of DBS total income.

In response to a shareholder's question on the level of non-performing loans, the Chairman referred to DBS' robust provisioning policy which was discussed earlier in the Meeting, and assured the shareholder that the Company closely monitors the quality of its portfolio.

Responding to a shareholder's question on whether DBS is pursuing any opportunity in the crowd-funding space, Mr Gupta pointed out the need to be vigilant and to conduct thorough due diligence when it comes to peer-to-peer lending platforms so as to avoid substantial losses as observed in the 'Ezubao' scandal in China (major Chinese peer-to-peer lending company). Mr Gupta highlighted that, to supplement DBS' SME business, the Company is in partnership with certain crowd-sourcing platforms to explore opportunities with them.

On opportunities in e-commerce and payments gateway, Mr Gupta shared that DBS will continue to pursue opportunities to be a payment provider for e-commerce platforms, and to be both an online and offline payment gateway for countries in the region.

- (1) RESOLVED THAT the Directors' Report and Audited Financial Statements of the Company for the year ended 31 December 2015 and the Auditors Report, be received and adopted.

AGM/4/2016

Resolution 2 - Declaration of Final Dividend on Ordinary Shares

- (2) RESOLVED THAT a one-tier tax-exempt final dividend of 30 cents per ordinary share be declared for the year ended 31 December 2015.

AGM/5/2016

Resolution 3 - Approval of Directors' remuneration of \$3,688,541 for the financial year ended 31 December 2015

Responding to a shareholder's question on whether DBS will consider offering shares to its non-executive directors as part of Directors' remuneration, the Chairman highlighted that non-executive directors of the Company will receive 70% of their fees in cash and the remaining 30% in share awards. These share awards are not subject to a vesting period, but are subject to a 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.

There being no further question, the Chairman went on to call for a proposer for Resolution 3 as the resolution relates to the directors' remuneration. A shareholder proposed the Resolution 3.

- (3) RESOLVED THAT the amount of \$3,688,541 proposed as Directors' remuneration for the year ended 31 December 2015 be approved.

AGM/6/2016 Resolution 4 - Re-appointment of PricewaterhouseCoopers LLP as Auditors

- (4) RESOLVED THAT PricewaterhouseCoopers be re-appointed as Auditors of the Company and that the Directors be authorised to fix their remuneration.

AGM/7/2016 Resolution 5 - Re-election of Ms Euleen Goh as a Director retiring under Article 95

- (5) RESOLVED THAT Ms Euleen Goh be re-elected as Director of the Company.

AGM/8/2016 Resolution 6 - Re-election of Mr Danny Teoh as a Director retiring under Article 95

- (6) RESOLVED THAT Mr Danny Teoh be re-elected as a Director of the Company.

AGM/9/2016 Resolution 7 - Re-election of Mr Piyush Gupta as a Director retiring under Article 95

- (7) RESOLVED THAT Mr Piyush Gupta be re-elected as a Director of the Company.

AGM/10/2016 Resolution 8 – Re-appointment of Mr Nihal Vijaya Devadas Kaviratne CBE as a Director

- (8) RESOLVED THAT Mr Nihal Devadas Kaviratne CBE be re-appointed as a Director of the Company.

Special Business

AGM/11/2016 Resolution 9 - Authority to grant awards and issue shares under the DBSH Share Plan

- (9) RESOLVED THAT authority be given to the Directors to grant

awards and issue shares under the DBSH Share Plan, AND THAT the resolution as set out in the Notice be approved.

- AGM/12/2016 Resolution 10 - General authority to issue shares subject to limits
- (10) RESOLVED THAT the resolution granting authority to the Directors to issue shares as set out in the Notice be approved.
- AGM/13/2016 Resolution 11 - Authority to issue shares pursuant to the DBSH Scrip Dividend Scheme for the FY2015 Final Dividend
- (11) RESOLVED THAT authority be and is hereby given to the Directors of the Company to allot and issue such number of new ordinary shares of the Company as may be required to be allotted and issued pursuant to the application of the DBSH Scrip Dividend Scheme to the final dividend of 30 cents per ordinary share for the year ended 31 December 2015.
- AGM/14/2016 Resolution 12 - Authority to apply the DBSH Scrip Dividend Scheme to dividends for FY2016, and to issue shares pursuant thereto
- (12) RESOLVED THAT authority be and is hereby given to the Directors of the Company to apply the DBSH Scrip Dividend Scheme to any dividend(s) which may be declared for the year ending 31 December 2016 and to allot and issue such number of new ordinary shares of the Company as may be required to be allotted and issued pursuant thereto.
- AGM/15/2016 Resolution 13 – Renewal of the Share Purchase Mandate
- The Chairman said that, in response to a shareholder’s query, approximately 13 million shares have been repurchased in 2015 pursuant to the Share Purchase Mandate.
- (13) RESOLVED THAT:
- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the “Companies Act”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“Ordinary Shares”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and/or any other securities exchange on which the Ordinary Shares may for the time being be listed and quoted (“Other Exchange”); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access

scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of: (i) the date on which the next Annual General Meeting of the Company is held; (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and (iii) the date on which purchases and acquisitions of Ordinary Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution: "Average Closing Price" means the average of the closing market prices of an Ordinary Share over the last five market days on which transactions in the Ordinary Shares on the SGX-ST or, as the case may be, Other Exchange were recorded, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; "date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Ordinary Shares from Shareholders, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the basis set out below) for each Ordinary Share and the relevant terms of the equal access scheme for effecting the off-market purchase; "Maximum Percentage" means that number of issued Ordinary Shares representing 1% of the issued Ordinary Shares of the Company as at the date of the passing of this Resolution (excluding any Ordinary Shares which are held as treasury shares as at that date); and "Maximum Price" in relation to an Ordinary Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

- (i) in the case of a market purchase of an Ordinary Share, 105% of the Average Closing Price of the Ordinary Shares; and
- (ii) in the case of an off-market purchase of an Ordinary Share, 105% of the Average Closing Price of the Ordinary Shares; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

Special Resolution

AGM/16/2016 Resolution 14 – Approval of the new Constitution

- (14) RESOLVED THAT the regulations contained in the new Constitution submitted to this meeting and, for the purpose of identification, subscribed to by the Chairman thereof, be approved and adopted as the new Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution.

AGM/17/2016 Closure

- (15) There being no other business, Chairman of the Meeting closed the meeting at 11.45 am.