

DBS GROUP HOLDINGS LTD

18th Annual General Meeting

27 April 2017



Piyush Gupta

Chief Executive Officer

Our 2016 Priorities

Balanced scorecard approach used to measure how successfully we are serving multiple stakeholders and driving the execution of our long-term strategy

Traditional Key Performance Indicators (KPIs) (40%)

Shareholders

Achieve sustainable growth
Financial outcomes achieved for the year & risk-related KPIs to ensure that growth is balanced against the level of risk taken, including compliance & control

Customers

Position DBS as bank of choice
The Group's achievement in increasing customer satisfaction & depth of customer relationships

Employees

Position DBS as employer of choice
Progress made in being an employer of choice, including employee engagement & people development

Making Banking Joyful KPIs (15%)

Digital Transformation

Acquire: Progress made in leveraging digital channels to acquire new customers
Transact: Reduction in manual efforts by driving STP & instant fulfilment
Engage: Progress made in growing customers' digital engagements

Reimagining Customer & Employee Experiences

Progress made in embedding ourselves in the customer journey & employee journey to challenge the status quo

Creating a Start-Up Culture

Progress made in re-wiring mindsets to be a 22,000-person start-up anchored on our PRIDE! values

Areas of Focus (45%)

Regional Businesses

Grow regional businesses in Consumer/Wealth Management & Institutional Banking

Geographic Mix

Scale our growth in India, China & Indonesia

Enablers

Strengthen management processes, tech & infrastructure platform

Regulators

Contribute to the stability of the financial system

Society

Enhance the communities we serve, driving sustainable outcomes



2016 Financial Performance

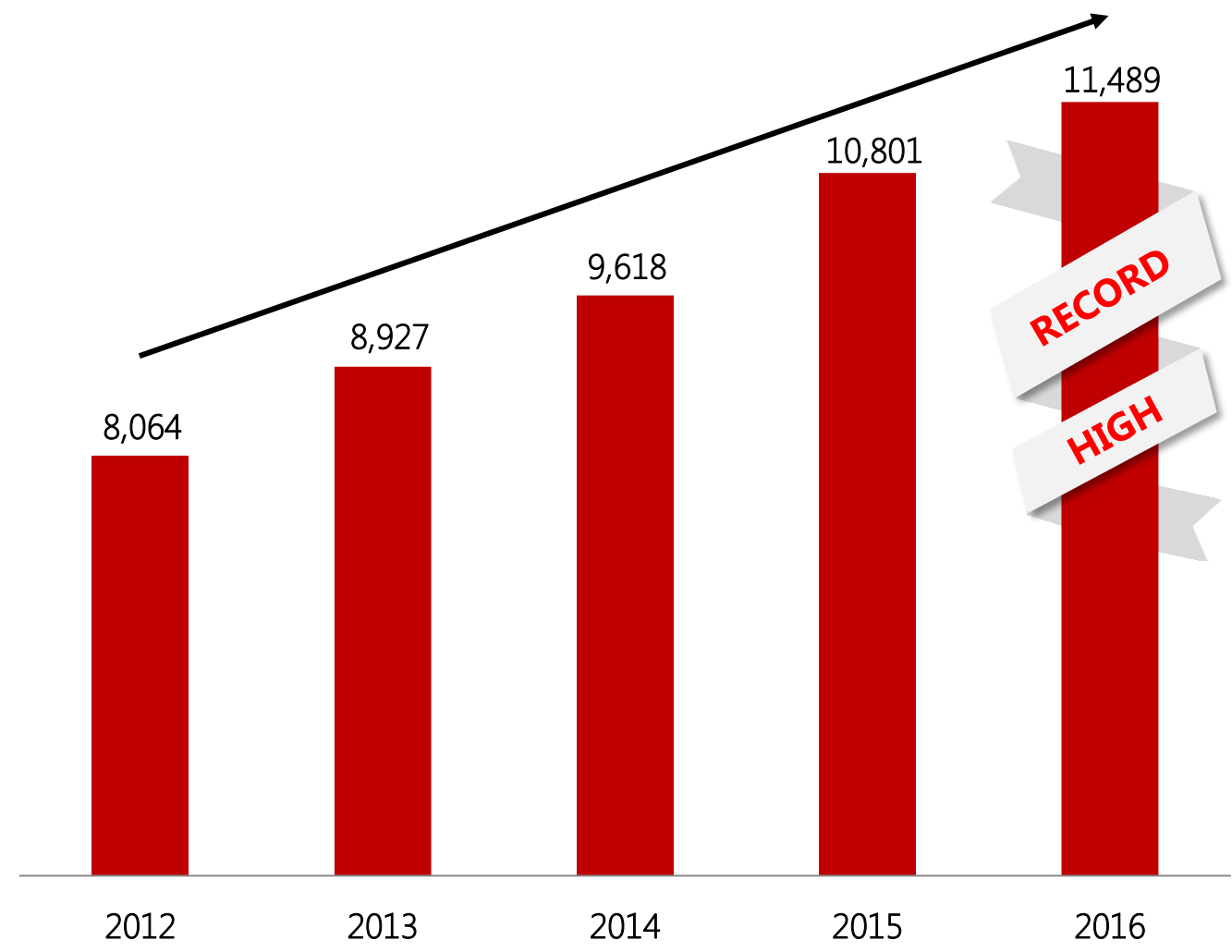
Delivered strong operating performance, cost efficiencies and solid returns despite challenging environment and headwinds

SGD (m)	FY2016	YoY	
Total income	11,489	6%	Record High
Net interest income	7,305	3%	
Non-interest income	4,184	9%	
Expenses	4,972	1%	
Profit before allowances	6,517	10%	Record High
Allowances	1,434	93%	
Net profit	4,238	(2%)	
ROE	10.1%	2015: 11.2%	

Shareholder KPIs

Delivered consistent, broad-based income growth

Income (SGD)



Total Income

▲ 6% YoY

NIM

1.80% (vs 1.77% in 2015)

Loans¹

▲ 6% YoY

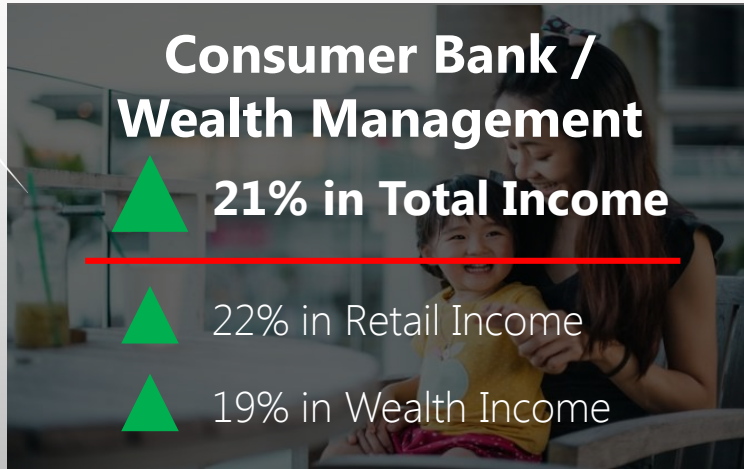
Net Fee Income

▲ 9% YoY

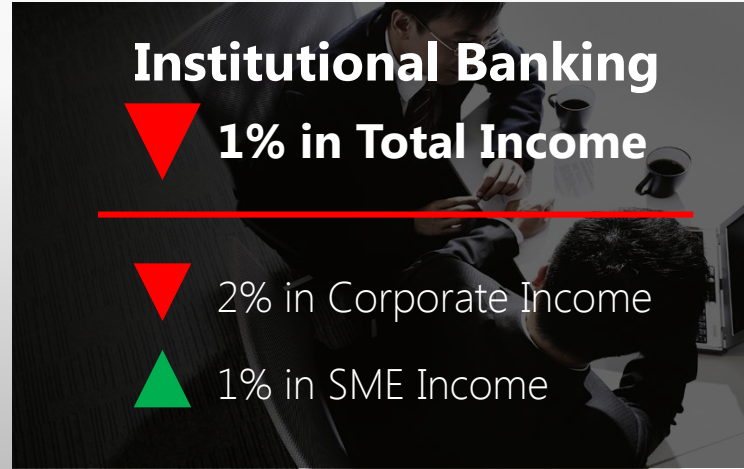
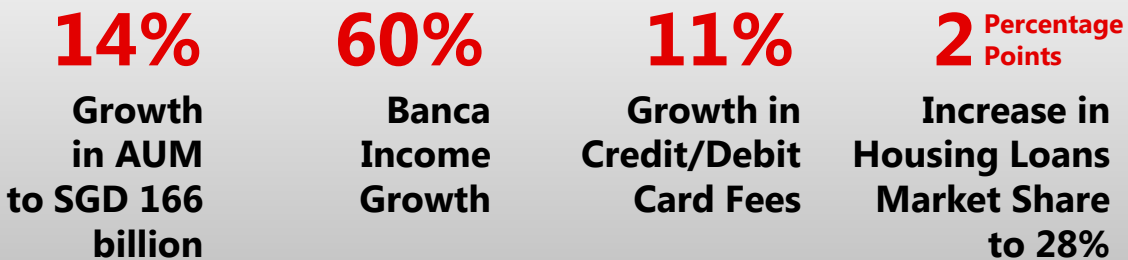
¹ Gross Loans

Growth Drivers

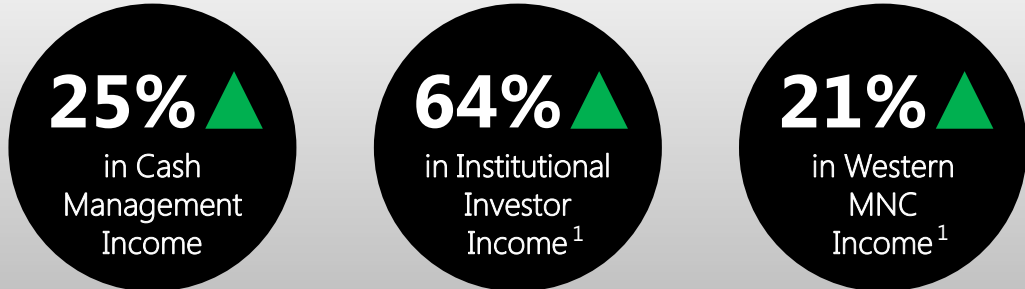
Diversified franchise led by multiple engines of growth



Solid outperformance



Resilient & stable performance



¹ MIS view

Geographic Mix

Continued to focus on growth across the region, including China, Indonesia and India

Singapore

- Total income ▲ 13% to SGD 7.5 billion
- Maintained market leadership
- POSB, the “People’s Bank”, continue to serve & bring value to Singaporeans from all walks of life



South & Southeast Asia (excluding Singapore)

- Total income ▲ 28% to SGD 717 million
- Launched digibank in India
- Soft-launched digibank in Indonesia



Greater China (including Hong Kong)

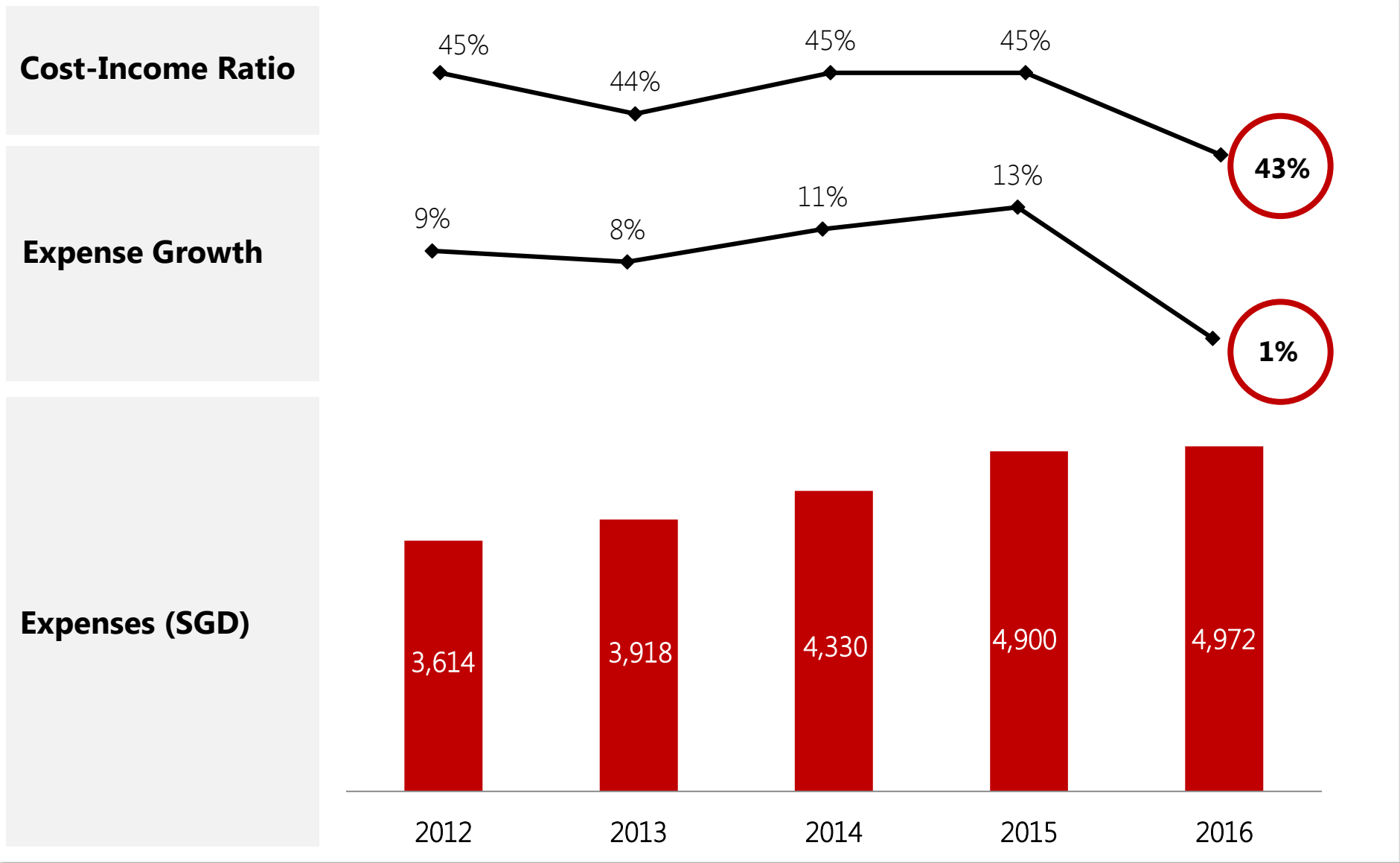
- Total income ▼ 12% to SGD 2.9 billion
- Uncertainty related to China affected trade and treasury customer income
- Traction in capturing China outbound business



Shareholder KPIs

Drove productivity gains from digitisation efforts & cost efficiencies

Boosted by past investments & nimble execution

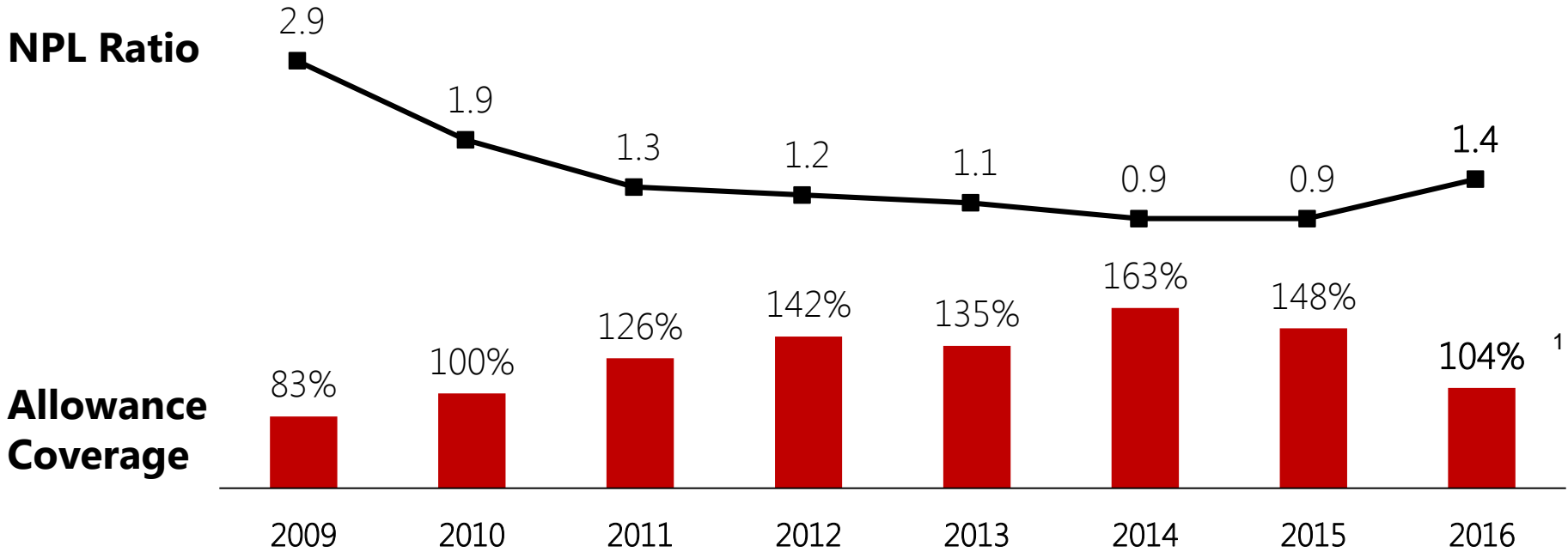




Asset Quality

Overall portfolio healthy, with adequate specific provisions

Management of portfolio continues to be robust



Overall portfolio healthy: NPL ratio rose to 1.4% due to 2 problem areas in 2016

- RMB derivatives issue behind us
- O&G support services sector still challenging, but worst is behind us
- Excluding these 2 areas, NPL ratio would have been 0.93%

Allowance coverage remains healthy at 104%

- Well positioned for 2017 with sound allowance reserves of SGD 3.5 billion

¹ S\$350 million of general allowances set aside from divestment of an investment property in Singapore announced on 10 February 2017

Customer KPIs



Leadership in Customer Experience, Asia by Customer Experience in Financial Services Asia Awards

4.17 Wealth Management Customer Engagement Score ¹ ▲
vs. 4.10 in 2015

4.09 Consumer Bank Customer Engagement Score ¹ ▲
vs. 3.97 in 2015

4.10 SME Bank Customer Engagement Score ¹ ▲
Maintained customer satisfaction

4th Large Corporates Market Penetration Ranking ▲
vs. 5th in 2015
Only Asian bank in Top 5

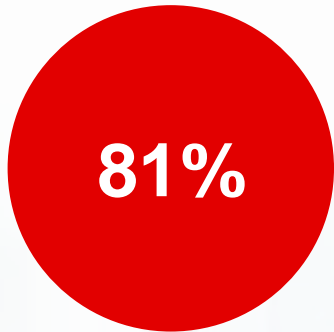
¹ Customer engagement scores (1 = worst, 5 = best)

Employee KPIs



Regional Best Employer
in Asia Pacific 2016,
Aon Hewitt

Employee Engagement



 **2% (vs 2015: 79%)**

Ranked top quartile in My Voice survey
Awarded Regional Best Employer in Asia Pacific

People Development



 **4% (vs 2015: 26%)**

Enabled our people to broaden their exposure

Employee Attrition



 **1.4% (vs 2015: 13.2%)**

Best-in-class attrition in Singapore & Indonesia
Lower voluntary attrition rates in key markets



Digital Transformation



World's Best Digital Bank, Euromoney

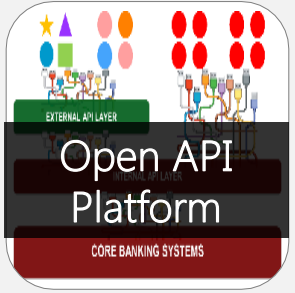


Transforming the front end

“Leaders in digital banking talk about the difference between digitising aspects of a bank and creating a **truly digital financial institution**. DBS is doing this better than any other bank. It is demonstrably the case that **digital innovation pervades every part of DBS**, from consumer to corporate, SMEs to transaction banking and even the DBS Foundation.”

Clive Horwood
Editor of Euromoney magazine

Re-architecting the back end





Digital Transformation

Customers are increasingly starting relationships, transacting or engaging with us online or via mobile

Acquire

41%
growth in customers acquired digitally

> 1 million
customers acquired in 1 year since launch of digibank India

43%
retail products sold digitally (vs 37% in 2015)

Transact

12%
reduction in manual efforts in targeted operations

1/5
resources used by digibank India compared to a traditional bank

> 80%
of queries responded by digibank India's AI-driven virtual assistant

Engage

~140,000
DBS Omni users demonstrate higher spend

> 32,000
members discussing >650 topics on DBS Business Class

51%
increase in financial value of transactions on mobile platforms



Creating a Start-Up Culture

Re-wiring the organisation to have a start-up culture and mindset



Employee immersion programmes, hackathons, accelerators & partnerships with the fintech community




Spaces & platforms to foster collaboration




>400 start-ups engaged



>1,000 experiments engaged



>100 prototypes



>1,000 ideas generated from >6,000 staff

Corporate Governance

The Board believes that corporate governance should be embedded in our corporate culture, and we work closely with regulators to ensure our internal governance standards meet their increasing expectations

DBS Corporate Governance Framework

Competent Leadership

Board of Directors

Deep banking knowledge & experience

2/3 are seasoned bankers while the rest have extensive industry experience

Board independence

Majority including the Chairman are non-executive and independent directors

Gender diversity

2 out of 9 directors are female

Effective Internal Controls

Strong Risk Culture

Accountability to Shareholders



Corporate Governance Award



Singapore Governance & Transparency Index

1st Runner-up



Most Transparent Company



Board Diversity Award

Sustainability

Creating long-term value for stakeholders in a sustainable way, and making a difference beyond banking to touch real people, real businesses & real lives



Responsible Banking

Incorporated principles for managing Environmental, Social & Governance issues in our lending practices

Continued focus on customer privacy, cyber security & combating financial crime



Responsible Corporate Citizenship

Managed our environmental footprint through energy / water / IT / waste conservation initiatives

Assessed suppliers on sustainability considerations & awarding contracts to more sustainable services



Creating Social Impact

Nurtured social enterprises through funding, mentorship and volunteerism

- >2,500 SEs reached
- Awarded SGD 1 million to 12 SEs
- >5,500 hours of skilled volunteerism





Awards & Accolades

Making our mark across the globe and regionally



World's Best Digital Bank



Digital Distribution, Global



Best Private Bank for Innovation, Global



Safest Bank, Asia



Asia's Best Bank



Most Valuable Banking Brand, ASEAN



Best Asian Private Bank



Best Transaction Bank in Asia Pacific



Best Treasury & Cash Management Bank, Asia



Best Asian Investment Bank



Best SME Bank in Asia



Best e-Solutions & Technology Partner Bank, Asia



Leadership in Customer Experience, Asia



Regional Best Employer, Asia



Best CSR, Asia



Our 2016 Priorities

We gave ourselves a lower overall balanced scorecard rating in 2016 because of a mixed performance

Traditional Key Performance Indicators (KPIs) (40%)

Shareholders

Achieve sustainable financial outcomes for the year & risk-related KPIs that growth is balanced against the level of risk taken, including compliance & control

Customers

Position DBS as a top choice The Group's ability to increase customer satisfaction & depth of customer relationships

Employees

Position DBS as a top employer of choice Progress made in increasing employee engagement & development

Making Banking Joyful KPIs (15%)

Digital Transformation

Acquire: Progress made in leveraging digital channels to acquire customers

Transact: Reduce manual efforts by driving STP & automation

Engage: Progress made in growing customers' digital engagements

Reimagining Customer & Employee Experiences

Progress made in embedding ourselves in the customer & employee journey to change the status quo

Creating a Start-Up Culture

Progress made in re-wiring mindsets to be a 22,000-person start-up anchored on our PRIDE!

Areas of Focus (45%)

Regional Businesses

Grow regional businesses in Consumer Banking, Management & Institutional Banking

Geographic Mix

Scale operations in India, China & Indonesia

Enablers

Strengthen product & infrastructure platform

Regulators

Contribute to financial stability

Society

Enhance communities we serve sustainably

Dividends

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

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, unchanged from a year ago

