

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

Minutes of the Eighteenth Annual General Meeting (hereinafter referred to as the “AGM” or the “Meeting”) of DBS Group Holdings Ltd ( hereinafter referred to as “the “Company”; where reference is made to the Company and its consolidated subsidiaries, the term “DBS” is used) held at Marina Bay Sands Expo and Convention Centre, Level 4, Roselle and Simpor Ballrooms, 10 Bayfront Avenue, Singapore 018956 on Thursday, 27 April 2017 at 2.00 pm.

<b>Present:</b>		
<p><b><u>Board of Directors</u></b> 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</p>	<p><b><u>Group Executive Committee</u></b> Mrs Chng Sok Hui Mr Elbert Pattijn Ms Tan Su Shan Mr Sim S. Lim</p> <p><b><u>Company Secretaries</u></b> Mr Goh Peng Fong Ms Teoh Chia-Yin Ms Khuza Suparto</p>	<p><b><u>Auditor</u></b> Ms Karen Loon – PricewaterhouseCoopers</p> <p><b><u>Independent Scrutineer</u></b> Tricor Evatthouse Corporate Services</p>

AGM/1/2017    Quorum

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

AGM/2/2017    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 DBS’ financial results.

Mr Gupta briefed the meeting on DBS’ priorities in 2016 as set out in the balanced scorecard, which is used to measure DBS’ performance in serving multiple stakeholders and driving the execution of our long-term strategy. The scorecard includes both traditional key performance indicators (“KPI”) as well as specific areas of focus. Notably, a new section had been introduced in 2016 to cover the ‘Making banking joyful’ KPIs such as digital transformation; reimagining customer and employee experiences; as well as creating a start-up culture.

Mr Gupta outlined how DBS had performed against the scorecard priorities, as well as its 2016 financial performance. He also discussed the key elements of DBS’ digital transformation journey, highlighting the various digital initiatives that were pursued both to support customers at the front end, and to improve operations and controls at the back end. He drew the shareholders’ attention to (i) DBS’ rigorous corporate governance framework, which various accolades received in 2016 had recognized; (ii) DBS’ sustainability agenda, which includes responsible banking, responsible corporate citizenship and creating social impact; (iii) the awards and accolades received by DBS across the globe and regionally, including being recognised as the World’s Best Digital Bank at the Euromoney Awards for Excellence 2016; and (iv) 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.

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

## Ordinary Business

### AGM/3/2017      Resolution 1 – Directors' Report and Audited Financial Statements for the year ended 31 December 2016 and the Auditors' Report

In response to a shareholder's question on the increase in non-performing assets in the >180 days past due category, Mr Gupta said that this reflected the aging of the oil and gas NPLs. While the challenges in the oil and gas support services sector had impacted asset quality in 2016, DBS' overall portfolio remained healthy with strong provision coverage.

Responding to a shareholder's question on how DBS is positioning Paylah in view of the growing number of players in the market offering similar services, Mr Gupta explained that the DBS' huge local customer base is a competitive advantage. DBS and POSB have in total around 4.5 million customers in Singapore. Mr Gupta said that the take-up rate for mobile wallets in Singapore is slower compared to other countries such as China; nonetheless, as DBS had entered the mobile wallets market early with Paylah, we will continue to step up efforts to be a leader in this space. For example, as a result of our effort to reimagine the customer experience by embedding ourselves in the customer journey, Mr Gupta believes that DBS can further improve the adoption rate for Paylah by making the process for signing up and using it simple and effortless for customers. Mr Gupta mentioned that DBS will also work with relevant government bodies in Singapore to drive behavioural changes to promote a more cashless financial system.

A shareholder commented that he was highly encouraged by the strong performance of DBS' Consumer Banking and Wealth Management Group, which had reported a 51% increase in profit before tax in 2016 compared to 2015. He enquired the reason for the strong performance, and asked if the results included the ANZ acquisition. He also wanted to know if a similar growth trajectory could be expected in 2017. Mr Gupta explained that the exceptionally strong growth in 2016 was due to three key factors. DBS had benefitted from an improvement in margins and from the bancassurance deal with Manulife. In addition, the wealth management business had continued to grow in the region, and DBS had managed to increase its market share. The Chairman agreed with the positive outlook on the consumer banking and wealth business. He added that the business will continue to grow but not at the same rate.

Mr Gupta explained that the financial performance reported for the financial year 2016 did not include the acquisition of the wealth management and retail business of ANZ. The integration of the ANZ portfolios is scheduled to take place from the middle of 2017 onwards, and DBS would expect to see the revenue flows in its financial performance thereafter.

A shareholder asked about the impact of Fintech on the traditional banking industry and specifically to DBS, as well as the role played by blockchain technology. Mr Gupta said that most of the Fintechs around the world are made up of small companies which offer niche products and services. Due to the high costs of customer acquisition, these are more likely to collaborate with banks instead of competing with them. On the other hand, there is a small number of very big and dominant Fintechs which include platform companies such as Tencent, wechat, Alibaba, Amazon, Apple and Facebook. These companies can pose a real threat to banks and the traditional banking system as their ability to reimagine banking is enormous. For example, in China, Ant Financial and Alibaba have the ability to offer a whole suite of financial products and services.

Mr Gupta said that DBS must transform its operating model and use technology to meet the challenges posed by Fintechs. As a bank, DBS also has certain strengths that sets it apart from Fintechs. DBS operates in a regulated industry, and maintains a robust risk management system. This generates trust, which is a key element in banking, generating the confidence that our customers have to keep their savings and growing their wealth with DBS. In addition, Fintechs continue to depend on banks for the actual clearing and settlement process.

Mr Gupta also shared his views on the impact of blockchain not only for banks, but to the society at large. Mr Gupta noted that while blockchain could dramatically transform how information is shared by competitors without a need for a central register, there is no agreed global protocol on how blockchain could be utilized within the financial system. Hence, it will be some time before the use of blockchain would have a real impact on the core banking system.

The Chairman shared the Board's perspective on the matter. He highlighted that the Board has always encouraged management to go digital and supported management's digitalisation initiatives, such as the launch of Digibank in India. Management has invested extensively in technology to transform how DBS operates, and this includes a long term plan to transform the staffing, culture and the thinking of the management team.

In response to a shareholder's question on the role of DBS Vickers, Mr Gupta explained that DBS Vickers is important to DBS as it complements its wealth management business. DBS Vickers offers a comprehensive blend of brokerage services for investors looking to transact at capital markets both locally and worldwide. Mr Gupta added that DBS Vickers has been gaining market share in Thailand and Singapore, and holding market share in Hong Kong.

A shareholder asked about the adequacy of the current level of provisions, and if big data could be used as an early warning system to help banks assess credit risk. Mr Gupta responded that, including the \$350m of divestment gains from the sale of PWC Building, DBS' allowance coverage at the end of 2016 was 104%. The Chairman added that, even in years when the non-performing loans ratio was low, DBS has been disciplined in building reserves. As an Asian bank, DBS practices an Asian style of banking – standing by our customers in

good times and bad. If a company has a chance of being rescueded, DBS will do our best to support them. However, despite our best efforts to help a client pull through the difficult times, they sometimes do not make it.

On the role of big data, Mr Gupta said that more could be done to leverage big data technology for credit risk and portfolio management. Mr Gupta shared that DBS has embarked on various data analytics initiatives, such as the 'Credit Assessment Through Network Effects (CRANE)' tool, to generate timely early warning system to manage credit risk.

In response to a shareholder's question on the Trump administration as well as the potential impact of speculated changes to the Dodd-Frank Act, Mr Gupta observed that the Dodd-Frank Act had little impact on the range of products being offered by Asian banks when it was first introduced. As such, any changes to the said Act would not have a major impact on DBS. Mr Gupta referred to Page 21 of DBS Annual Report 2016 where he had provided his reflections on the Trump administration.

In response to a shareholder's question on DBS' exposures to North Asia and the potential impact of a North Korea-induced conflict, Mr Gupta said that DBS' exposures is approximately 30%. The Chairman added that DBS conducts regular stress tests using black swan events to test the robustness of its portfolio. However, he noted that the full effects and magnitude of a North Asia conflict would be difficult to estimate.

Mr Gupta clarified a shareholder's question, which had alluded to the impact of a substantial write-down of assets on DBS' portfolio. Mr Gupta said that DBS would be able to withstand a 30% reduction in property prices as its property loans have been originated at conservative loan-to-value ratios. Conversely, a 30% write-down in the overall value of its assets would have a very significant impact.

In response to a shareholder's question on cyber fraud, Mr Gupta shared that DBS has appointed a Chief Information Security Officer (CISO) who oversees cyber security. The CISO supports DBS' businesses and support functions to understand cyber security risk, and designs appropriate controls and processes to manage it. DBS' cyber security architecture is reviewed continuously to respond to the changing threats in its operating environment.

In response to a shareholder's question on the Swiber case, Mr Gupta summarised the developments that had occurred in 2016. He added that DBS will continue to monitor the offshore and marine sector as the outlook for this industry remains challenging.

A shareholder asked how DBS stacks up against other banks in Asia with respect to its allowances coverage. The Chairman said that DBS measures up very well against peer banks in Asia, whether in terms of capital adequacy or allowances coverage. DBS has a strong balance sheet and its practices on provisioning are very prudent. In addition, DBS believes in maintaining a high degree of transparency to its stakeholders, as seen in its disclosure of the balanced scorecard in the Company's annual report.

Mr Gupta added that, in terms of asset quality, banks in Singapore are amongst the strongest in the world. He highlighted that DBS was named 'Safest Bank in Asia' for 8 consecutive years by the New York based trade publication Global Finance. In addition, Bloomberg had consistently listed DBS as the top 10 strongest banks in the world.

In response to a shareholder's question on whether DBS adopts the practice of moving its non-performing loans to its subsidiaries, the Chairman said that DBS does not do so. In addition, there are regulations in place to deter such practice.

- (1) RESOLVED THAT the Directors' Report and Audited Financial Statements for the year ended 31 December 2016 and the Auditors Report, be received and adopted.

AGM/4/2017      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 2016.

AGM/5/2017      Resolution 3 - Approval of Directors' remuneration of \$3,588,940 for the financial year ended 31 December 2016

The Chairman called 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 \$3,588,940 proposed as Directors' remuneration for the year ended 31 December 2016 be approved.

AGM/6/2017      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/7/2017      Resolution 5 - Re-election of Dr Bart Broadman as a Director retiring under Article 99

In response to a shareholder's question on whether DBS has any board renewal policy, the Chairman said that the Company adopts robust succession planning practices which include an annual review of director's appointments and the board renewal process.

- (5) RESOLVED THAT Dr Bart Broadman be re-elected as Director of the Company.

AGM/8/2017      Resolution 6 - Re-election of Mr Ho Tian Yee as a Director retiring under Article 99

- (6) RESOLVED THAT Mr Ho Tian Yee be re-elected as a Director of the Company.

AGM/9/2017      Resolution 7 - Re-election of Mrs Ow Foong Pheng as a Director retiring under Article 99

- (7) RESOLVED THAT Mrs Ow Foong Pheng be re-elected as a Director of the Company.

### **Special Business**

AGM/10/2017      Resolution 8 - Authority to grant awards and issue shares under the DBSH Share Plan

- (8) 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/11/2017      Resolution 9 - General authority to issue shares subject to limits

- (9) RESOLVED THAT the resolution granting authority to the Directors to issue shares as set out in the Notice be approved.

AGM/12/2017      Resolution 10 - Authority to issue shares pursuant to the DBSH Scrip Dividend Scheme for the FY2015 Final Dividend

- (10) 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 2016.

AGM/13/2017      Resolution 11 - Authority to apply the DBSH Scrip Dividend Scheme to dividends for FY2017, and to issue shares pursuant thereto

- (11) 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 2017 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/14/2017      Resolution 12 – Renewal of the Share Purchase Mandate

- (12) 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.

AGM/15/2017 Closure

- (13) There being no other business, Chairman of the Meeting closed the meeting at 3.50 p.m.