

DBS GROUP HOLDINGS LTD

19th Annual General Meeting

25 April 2018



Piyush Gupta
Chief Executive Officer

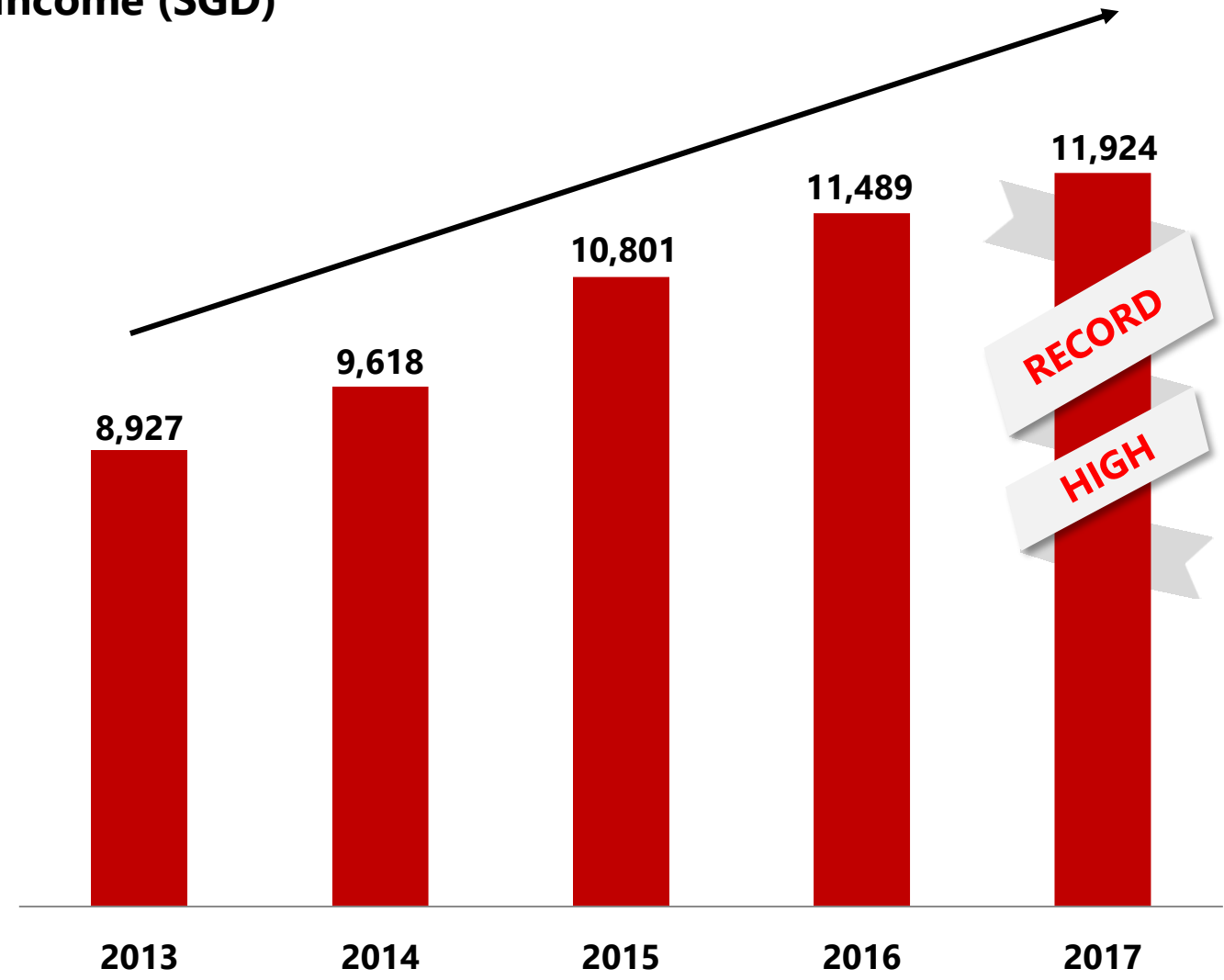




2017 Financial Performance

Record performance despite weaker trading income and lower NIM underscores quality of customer franchise

Income (SGD)



Total Income (record)

▲ 4% YoY

Net profit (record)

▲ 4% YoY

Loans¹

▲ 9% YoY

Net Fee Income

▲ 12% YoY

¹ Underlying Loans, including ANZ, loan growth was 11%

Our 2017 Priorities

Balanced scorecard 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 & risk-related KPIs to ensure growth is balanced against risk taken

Customers

Position DBS as bank of choice
Increasing customer satisfaction & depth of customer relationships

Employees

Position DBS as employer of choice
Including employee engagement & people development

Making Banking Joyful KPIs (20%)

Digital Transformation

Ecosystems: Developing meaningful relationships with ecosystem partners
Acquire: Leveraging digital channels to acquire new customers
Transact: Reduction in manual efforts by driving STP & instant fulfilment
Engage: Growing customers' digital engagements

Capturing value created from digitalisation

Driving digital behaviours of our consumer and SME customers in Singapore and Hong Kong

Increasing income from digital customers

Reimagining customer and employee experiences

Embedding ourselves in customer & employee journeys to deliver superior experiences

Creating a Start-Up Culture

Re-wiring mindsets to be a 24,000-person start-up anchored on our PRIDE! values

Areas of Focus (40%)

Regional Businesses

Grow regional businesses in Consumer/Wealth Management & Institutional Banking

Geographic Mix

Scale growth in China, India, Indonesia & Taiwan

Enablers

Strengthen management processes, tech & infrastructure platform

Regulators

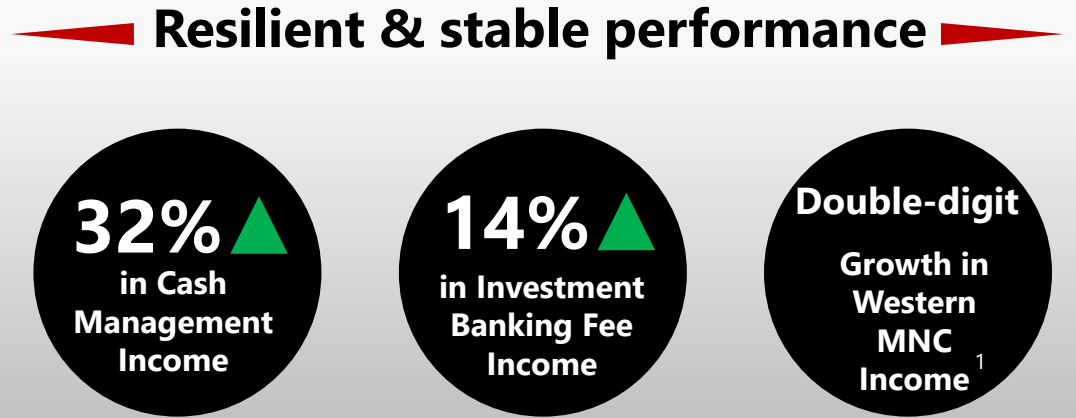
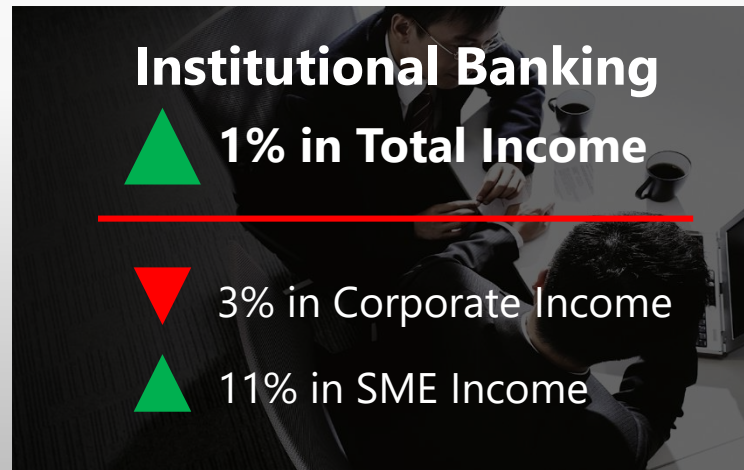
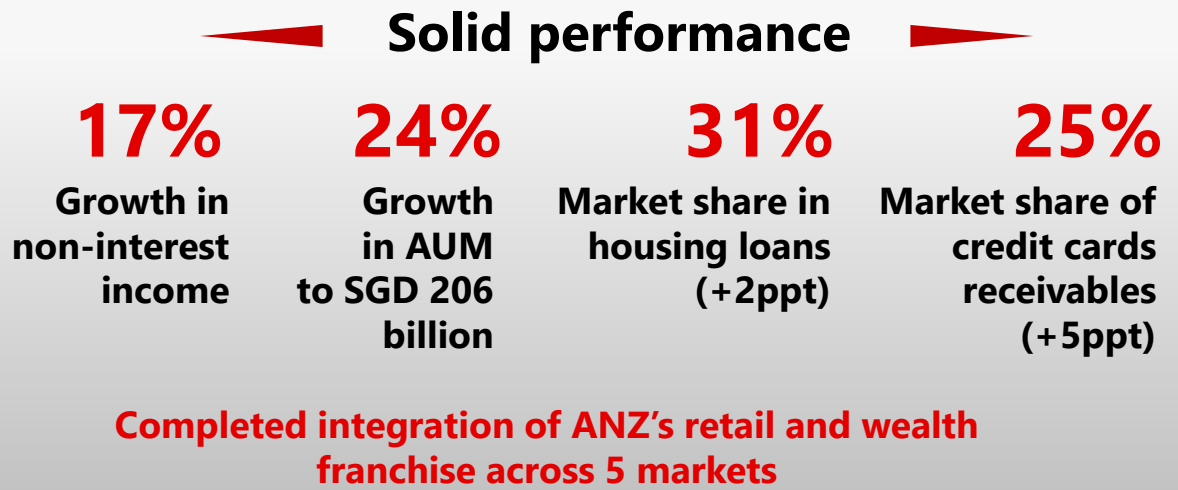
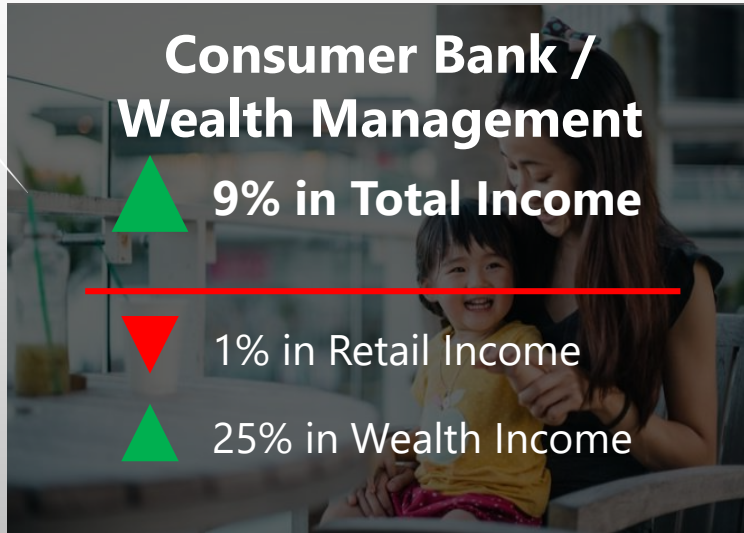
Contribute to the stability of the financial system

Society

Enhance the communities we serve, driving sustainable outcomes

Growth Drivers

Diversified franchise led by multiple engines of growth



¹ Internal view

Geographic Mix

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

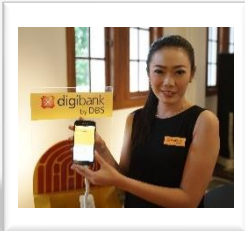
Singapore

- Total income ▲ 3% to SGD 7.8 billion
- Driving cashless agenda: POSB Smart Buddy, PayLah!, PayNow
- Revamping our branch distribution



South & Southeast Asia (excluding Singapore)

- Total income ▼ 3% to SGD 696 million
- Grew customer franchise in India despite macro headwinds; WOS approved
- Saw growth in Indonesia; launched digibank



Greater China (including Hong Kong)

- Total income ▲ 5% to SGD 3.1 billion
- Strong performance in Hong Kong
- Captured China outbound flows



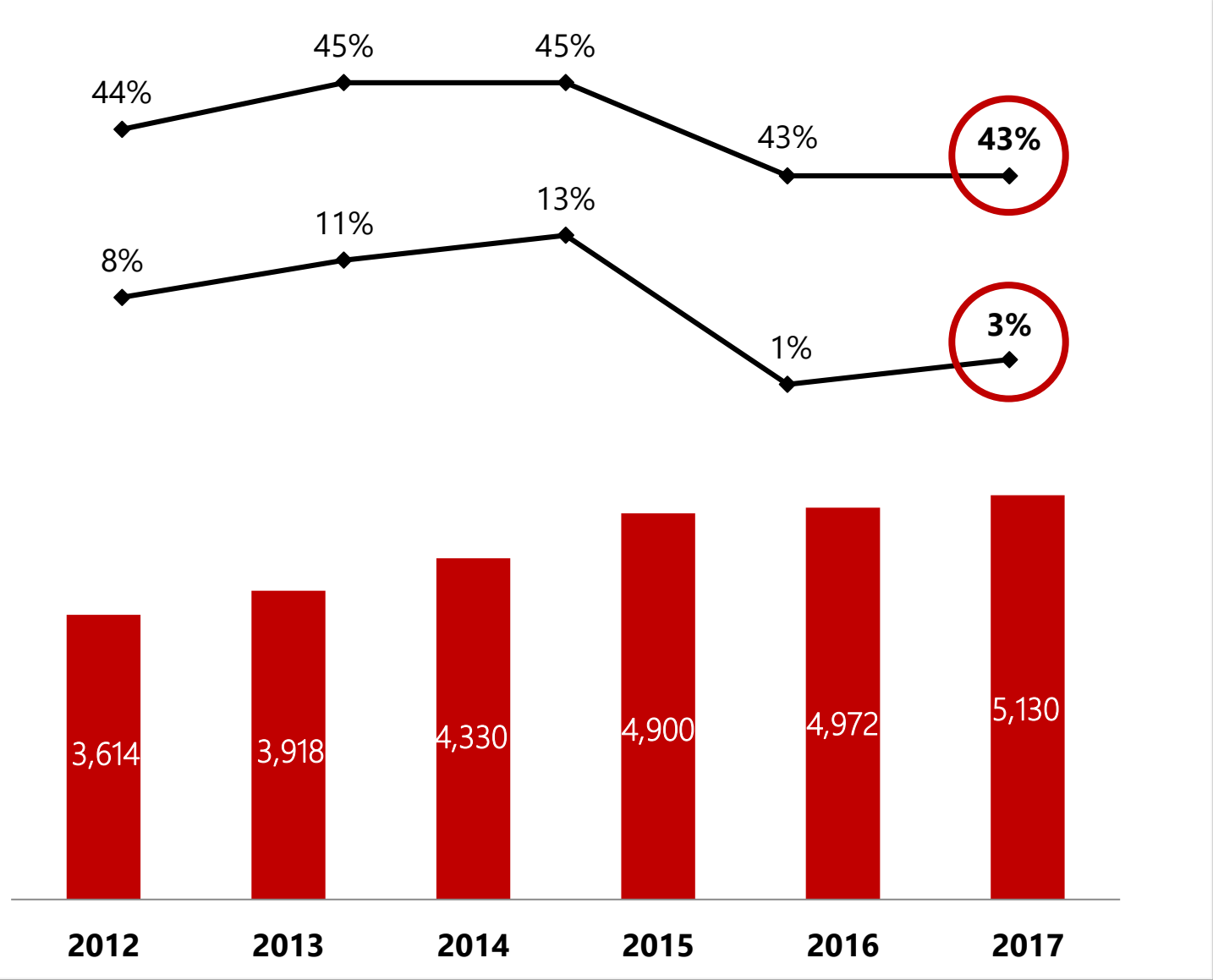
Shareholder KPIs

Productivity gains from digitalisation & cost management initiatives contained expense growth

Cost-Income Ratio

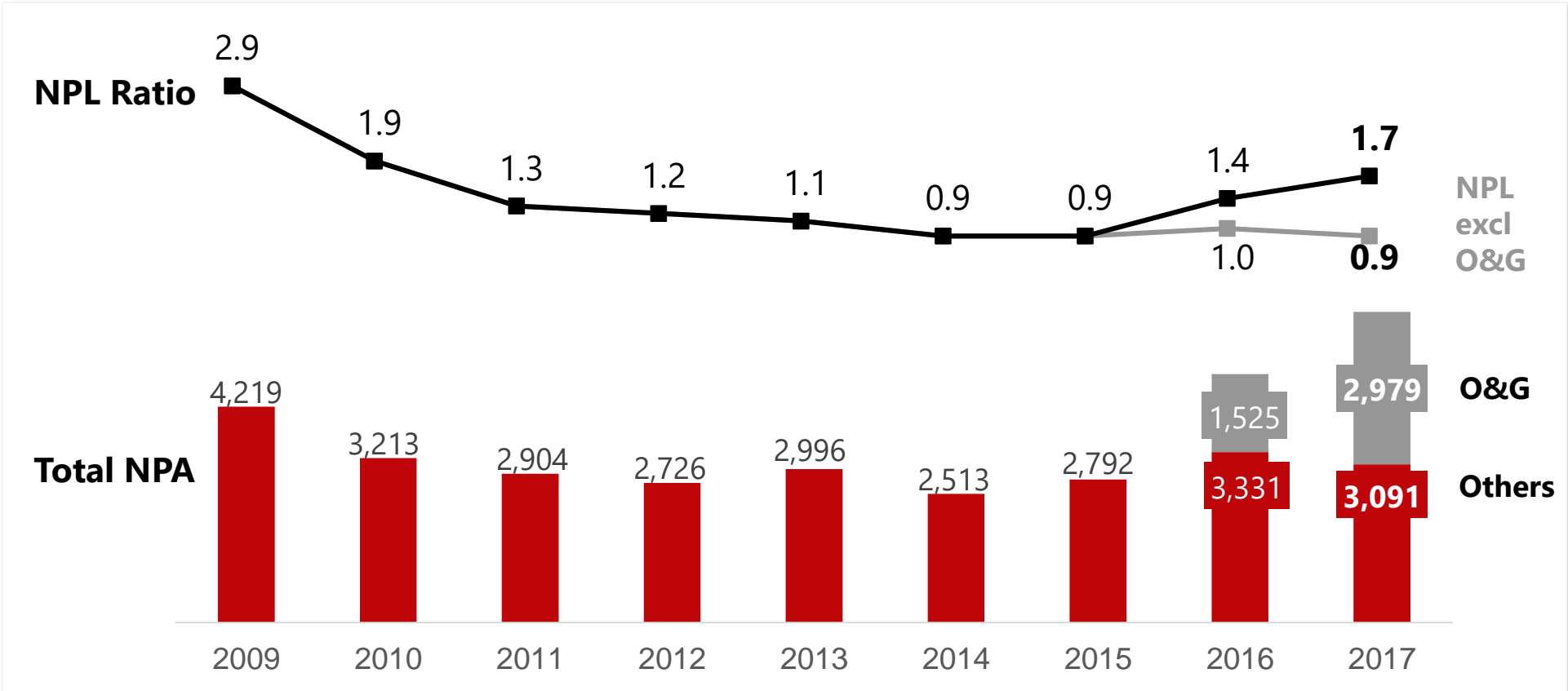
Expense Growth

Expenses (SGD)



Asset Quality

Management of portfolio continued to be robust even as we conservatively recognised residual weak oil and gas exposures as NPA



Overall portfolio healthy

- Recognised residual weak O&G support services exposures as NPA to remove uncertainty about asset quality
- Asset quality for the rest of the loan portfolio remained benign during the year

Customer KPIs



CSiSG Award by the Institute of Service Excellence



Gold Award for Best Customer Experience Organisation

4.22 Wealth Management Customer Engagement Score ¹ ▲
vs. 4.17 in 2016

4.12 Consumer Bank Customer Engagement Score ¹ ▲
vs. 4.09 in 2016

4.07 SME Bank Customer Engagement Score ¹
Maintained customer satisfaction

4th Large Corporates Market Penetration Ranking ²
Maintained ranking (4th in 2016)

¹ Ipsos Customer Satisfaction Survey (CSS) for Wealth Management, Scorpio Partnership CSS for Consumer Banking and Nielsen SME survey Customer engagement scores (1 = worst, 5 = best)

² Large Corporates Penetration Ranking from Greenwich

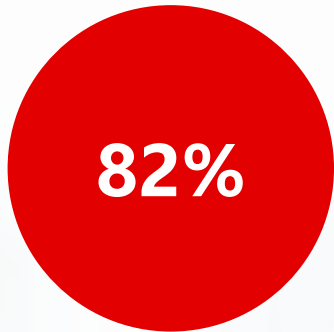
Employee KPIs



Asia Pacific Regional Best Employer 2017, Aon Hewitt

Best of the Best Employer in Singapore, Indonesia and Taiwan

Employee Engagement



1% (vs 2016: 81%)

Awarded Regional Best Employer in Asia Pacific

People Development



2% (vs 2016: 30%)

Enabled our people to broaden their exposure

Employee Attrition



1.2% (vs 2016: 11.8%)

Voluntary attrition rate remained relatively stable
Best-in-class attrition in Singapore & India



**Deeper.
Broader.
Smarter.**

Having invested time and resources in digitalising the bank, we have seen visible results in a number of areas

Deepened wallet share in consumer & SME business in our core markets

Digital has been key to our gains in market share and creating new income streams in Singapore and Hong Kong

Broadened our reach in growth markets

Digital has enabled us to create new distribution models and increase customer acquisition while reducing dependency on expensive brick and mortar outlets

Improved efficiency of traditionally more high-touch businesses such as large corporate and private banking

Digitalisation has helped the bank reduce manual processes and increase productivity, supporting higher business volumes, without a commensurate increase in resources



Digital Transformation

Leveraged ecosystems to grow digital interactions. Customers are increasingly starting relationships, transacting or engaging with us digitally

Ecosystems

Launched world's largest

banking application programming interface (API) developer platform

> 180

APIs published

> 60

partners

15%

increase in social media fanbase to 8 million

> 140 million

views for SPARKS, the mini-series

Acquire

> 1/3 of wealth customers regionally

80% of SMEs in Singapore are acquired digitally

> 1.8 million

customers acquired since launch of digibank India

52%

retail products sold digitally (vs 43% in 2016)

Digital Transformation continued...

Leveraged ecosystems to grow digital interactions. Customers are increasingly starting relationships, transacting or engaging with us digitally

Transact

9%

reduction in manual efforts for targeted operations

88% digital channel share

of Consumer (SG & HK) customers' financial transactions

(vs 84% in 2016)

53% digital channel share

of SME (SG & HK) customers' financial transactions

(vs 36% in 2016)

Engage

59%

increase in Asian Insights traffic

50%

growth in OMNI users in HK, with users spending **2.5x** more

Leveraging contextual marketing

leading to improvement in CBG campaign outcomes

Reimagining customer & employee experiences

Using digital technology and innovation to seamlessly integrate banking in our customers' lives



448 journeys across the bank
71% delivering outcomes



1.1 million customer hours saved in 2017



327,000 employee hours saved in 2017

DBS Car Marketplace



DBS Property Marketplace



DBS Electricity Marketplace



Creating a Start-Up Culture

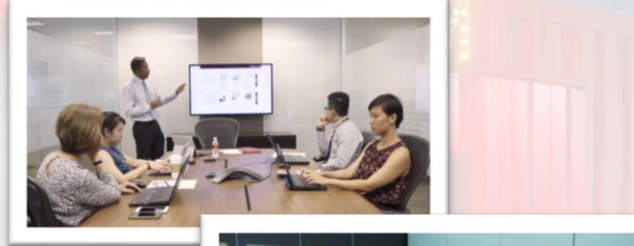
Re-wiring the organisation to have a start-up culture and mindset



Changing mindsets to be more fintech-like

15,000

employees involved in immersion programmes:



Changing the way we work to be more agile and nimble

Increasing pockets of the bank adopted **agile @ work**

Drove use of **data and analytics**



Spaces and platforms to foster collaboration & ideation

300,000

square feet of JoySpace created, impacting 4,000 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

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

Board independence

A majority of our directors including the Chairman are independent directors

Gender diversity

2 out of 10 directors are female

Effective Internal Controls

Strong Risk Culture

Accountability to Shareholders



Best Managed Board



Gold award for Best Annual Report



Singapore Corporate Governance Award (Finance)

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



Sustainability Award



Winner for Corporate, Large Enterprise



Responsible Banking

Rolled out **Responsible Financing Standard and Sector Guides**

One of the first Singaporean companies to issue a **green bond**, promoting green finance

Helped launched Women's Livelihood Bond, world's first social sustainability bond to be listed on a stock exchange



Responsible Corporate Citizenship

First Asian bank and Singapore company to join global renewable initiative **RE100**, committing to 100% renewable energy use in SG operations by 2030

First Singapore bank to be included as an index constituent of the **FTSE4Good** Global Index, a global sustainability index



Creating Social Impact

Nurtured social enterprises through funding, mentorship and volunteerism

- **>4,800** reached
- Awarded **SGD 1.23 million**
- **>6,800 hours** of skilled volunteerism

Awards & Accolades

Making our mark across the globe and regionally...



Safest Bank in Asia (2009-2017)



Best Bank in Asia Pacific



Most Valuable Bank Brand in ASEAN



World's Best Private Bank for Innovation



Best Asian Private Bank



Best Regional Specialist for SMEs



World's Most Innovative Investment Bank for SMEs



Best Asian Investment Bank



Best Supply Chain Finance Bank, Asia Pacific



Best FX Provider, Asia Pacific

Top of the digital class...

Awards & Accolades

... at the forefront to shape the future of banking



World's Best Digital Bank



Asia's Best Digital Bank

“

One of the **most comprehensive digital strategies of any bank in the world...**

“The Bank of the Future”

Citi

“

It is probably **time for investors to think laterally and overlay a technology coat on DBS.**

DBS has convinced us on its digital transformation.

CIMB

“

DBS is perhaps the only bank that does a good job of quantifying what tech means for profitability

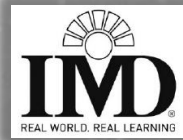
Euromoney

“

DBS is rapidly evolving into flagbearer of digital initiatives in ASEAN, where we believe the **bank has been ahead of the curve**

JP Morgan

... case studies on our digital transformation



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

- With final CET-1 of 13.9%, the Board has suspended the scrip dividend
- The Board has proposed a final dividend of **60 cents per share** for approval
 - Brings full-year ordinary dividend to **93 cents per share** (increase of 55%)
- **Special dividend of 50 cents per share** proposed as a one-time return of the capital buffers that had been built up

