Piyush Gupta
Chief Executive Officer
2018 Financial Performance

Record performance despite heightened economic uncertainty and financial market volatility

- **RECORD income**
  - $13.2bn
  - ▲ 11% YoY

- **RECORD net profit**
  - $5.6bn
  - ▲ 28% YoY

- **DECADE-HIGH ROE**
  - 12.1%
  - ▲ 2.4ppt YoY
2018 Financial Performance

Fundamental transformation of our franchise led to a lift in ROE to decade-high 12.1%

Structural transformation

1. Greater proportion of high-returns businesses

   ($m)  
   Wealth segment income
   
   2009  2018
   499   2,661
   5x

   Cash income
   
   2009  2018
   200   1,708
   8x

   % of total income:
   2009  2018
   8%    20%  3%  13%

2. Significant lift from North Asia

   Hong Kong net profit
   
   2009  2018
   464   1,362
   3x

   Rest of G. China net profit
   
   2009  2018
   68    275
   4x

3. Making solid progress in digital transformation

   One of the most comprehensive digital transformation programmes:
   - Being digital to the core
   - Journey thinking
   - Culture change
   - A measurement methodology to quantify the impact of digital transformation on bottom-line
Recognised as the best globally

>20 global bank awards

DBS concurrently named “Best Bank in the World” by Global Finance and “Bank of the Year – Global” by the Banker, a first for a bank anywhere in the world.
# Our 2018 Priorities

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

## Balanced scorecard approach

<table>
<thead>
<tr>
<th>Traditional Key Performance Indicators (KPIs) (40%)</th>
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<tr>
<td><strong>Shareholders</strong></td>
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<td>Achieve sustainable growth</td>
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<td><strong>Customers</strong></td>
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<tr>
<td>Position DBS as bank of choice</td>
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<td><strong>Employees</strong></td>
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<td>Position DBS as employer of choice</td>
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## Making Banking Joyful KPIs (20%)

<table>
<thead>
<tr>
<th>Digital Transformation</th>
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<td><strong>Ecosystems</strong></td>
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<td>Acquire</td>
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<td>Transact</td>
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<td>Engage</td>
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<td><strong>Capturing value created from digitalisation</strong></td>
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<td><strong>Reimagining customer and employee experiences</strong></td>
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<td><strong>Creating a Startup Culture</strong></td>
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<th>Areas of Focus (40%)</th>
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<tr>
<td><strong>Regional Businesses</strong></td>
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<td><strong>Geographic Mix</strong></td>
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<td><strong>Enablers</strong></td>
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<td><strong>Regulators</strong></td>
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<td><strong>Society</strong></td>
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For details, please refer to page 26 of DBS Annual Report 2018.
### CBG/ WM and IBG achieved record income

**Growth Drivers**

- Record income achieved in Consumer Bank/Wealth Management and Institutional Banking

#### Consumer Bank/Wealth Management

- **21% in Total Income**
- **17% in Retail**
- **26% in Wealth**

#### Institutional Banking

- **9% in Total Income**
- **5% in Large Corporates**
- **18% in SME**

#### Solid Performance

- **52%** Savings deposits market share*
- **31%** Housing loans market share*
- **25%** Increase in cards income to $0.8bn
- **#1** Bancassurance market share*

**Maximising value from ANZ’s retail and wealth business across 5 markets**

#### Strong Traction

- **12%** Non-trade loan growth
- **55%** Increase in cash management income to $1.7bn
- **Top 10** AxJ USD bond issuances
- **#1** Equity*

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* In Singapore
Singapore

- Total income $5% to $8.2 billion
- Driving cashless agenda: DBS Paylah! and DBS MAX with integrated partners
- Embedding ourselves in our customers’ lives: Car, Property and Electricity Marketplaces, GoJek, Carousell etc

South & Southeast Asia (excluding Singapore)

- Total income $14% to $792 million
- Continued digibank growth in Indonesia and India; 1.2 million customers added in 2018
- Established wholly-owned subsidiary in India, added 9 branches

Greater China (including Hong Kong)

- Total income $25% to $3.9 billion
- Record performance in Hong Kong
- Leveraged Hong Kong–China connectivity; #1 foreign bank for loan syndication
Underlying cost-income ratio maintained

- Cost-income ratio of TM and ANZ was a drag
  - Treasury Markets business had exceptionally weak performance
  - ANZ’s cost-income ratio at 52%
- This masked the improvement from the digital segment where CIR improved two percentage points to 34%
Asset Quality

Exercised prudence in client selection and credit underwriting criteria amid macroeconomic uncertainties

Overall portfolio healthy

- NPAs fell 6% YoY and NPL ratio improved to 1.5%
- Asset quality improved with SP/average loans at 19bp
Customer KPIs

Wealth Management
Customer Engagement Score
4.29
vs. 4.22 in 2017

Consumer Bank
Customer Engagement Score
4.21
vs. 4.12 in 2017

SME Bank
Customer Engagement Score
4.27
vs. 4.07 in 2017

Large Corporates
Market Penetration Ranking
4th
Maintained – only Asian bank in top 5

(1) Scale: 1 = worst; 5 = best. Source: Scorpio partnership and Ipsos Customer Satisfaction Survey (CSS) for Wealth Management, Ipsos CSS for CBG and Aon Hewitt SME Survey. Large corporates penetration ranking was from Greenwich for 2018
(2) The Euromoney cash management survey was conducted with over 25,000 clients participating globally
Employee KPIs

**Employee Engagement**

- **82%**
- Awarded Regional Best Employer in Asia Pacific
- Ranked among the top 13% employers in the world

**People Development**

- **28%** of positions filled internally (1)
- Enabled our people to broaden their exposure across businesses, functions and markets

**Employee Attrition**

- **14.7%**
- Comparable to peers in other countries except Indonesia, where ANZ integration contributed to a higher turnover

(1) Excluding ANZ integration headcount
Growing our own timber

Underscoring our commitment to groom talent from within, we announced several senior-level organisational changes.

Derrick Goh
Audit

Jimmy Ng
Deputy Head, Technology & Operations

Tan Teck Long
Chief Risk Officer

Tan Su Shan
Institutional Banking

Sim S Lim
Consumer Banking

Shee Tse Koon
Singapore

Han Kwee Juan
Strategy & Planning
Ecosystems

Remained among the largest banking API platforms in the world

- >350 APIs published
- >90 partners
- >3,500 registered API developers

Formed partnerships

Acquire

- 79% of Wealth customers acquired digitally in 2018
- 98% of Wealth customers added in 2018
- 32% in acquiring SME customers digitally

- >1.2 million digibank IN, ID customers

<table>
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<tr>
<th>CBG products</th>
<th>2018</th>
</tr>
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<tr>
<td>Deposits</td>
<td>53%</td>
</tr>
<tr>
<td>Cards</td>
<td>64%</td>
</tr>
<tr>
<td>General Insurance</td>
<td>60%</td>
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</tbody>
</table>
Digital Transformation continued…

Reduced manual efforts by driving end-to-end straight-through processing and instant fulfilment

Drove “sticky” customer behaviour and cross-buy through contextual marketing

Transact

21% of processes completely automated across corporate & consumer banking in SG

75% reduction in candidate screening time using JIM, our virtual recruitment bot

JIM – Jobs Intelligence Maestro

>140,000 Market rates – digitised the daily identification of rate anomalies

Engage

15% increase in social media fanbase to 9 million

60% increase in readership of research articles on iWealth

>23 co-creation workshops conducted with corporates to deliver bespoke solutions

23% increase in campaign revenues for CBG in Singapore through contextual marketing
Capturing value created from digitalisation

Grew the number of digital customers and increased income from digitally engaged customers.

Digital increasingly material and valuable

Income from Consumer and SME segments in SG and HK

2017

TRADITIONAL
- Income -1% YoY
- ROE 23%
- 3.2 million customers\(^{(1)}\)

DIGITAL
- Income +27% YoY
- ROE 32%
- 2.9 million customers\(^{(1)}\)

2018

Income from digital customer = 2\( \times \) income from traditional customer

\(\text{(1)}\) A digital customer has either (within the past 12 months):
(i) made a product purchase or segment upgrade via a digital channel
(ii) done more than 50% of financial transactions via digital channels; or
(iii) done more than 50% of non-financial transactions via digital channels.
Reimagining customer & employee experiences

Continued to focus on customer journeys, leveraging customer science and data analytics to make banking joyful.

Focusing on customer journeys

- 600 journeys across the bank
- +150 new journeys added in 2018

Driving a data-first culture

- >10,000 employees, including >900 senior managers educated on being data-driven
- >200 analytics projects across the bank

PURE framework

(Purposeful, Unsurprising, Respectful and Explainable) to govern responsible data usage
Creating a Startup Culture
Embracing a spirit of experimentation and innovation

Driving the platform operating model
33 platforms co-owned by business & technology
Joint goals, business strategy and execution roadmap

Continued focus on experimentation and innovation
300+ events held at DAX
250+ talents hired through Hack-to-Hire

Redesigned offices to foster collaboration and ideation
400,000 sq ft of JoySpace
Corporate Governance

DBS has an active board that is conscious of the diverse needs of our stakeholders and has put in place robust mechanisms to ensure that corporate governance principles are embedded in our corporate culture.

**Singapore Corporate Awards: Special Recognition Award**

*First company to clinch top award in all five categories*
Best Managed Board, Best Investor Relations, Best Annual Report, Best CEO and Best CFO

**Institutional Investor Poll: Among the top two banks in Asia**

For CEO, CFO, investor relations, corporate governance, and ESG metrics categories

**Singapore Governance and Transparency Index: Second**

Up a rank from 2017

**SIAS Investors’ Choice Awards: Runner-up**

For corporate governance, large-cap companies’ category
Three sustainability pillars

**Responsible Banking**

- >$2.4 bn Sustainable financing (green loans, performance linked loans, renewable financing)
- 1st Singapore bank to be certified with Data Protection Trustmark

**Responsible Business Practices**

- 2nd consecutive year in the Bloomberg Gender-Equality Index
- 1st Singapore bank included in FTSE4Good Global Index, a global sustainability index

**Creating Social Impact**

- Awarded $1.25m in grants to 12 social enterprises
- >65,000 hours engaged in volunteering initiatives

**Debut of standalone DBS sustainability report**
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.

**Sustainable dividends**

- The Board has proposed a final dividend of **60 cents per share** for approval
  - Brings full-year ordinary dividend to **120 cents per share** (increase of 29%)
BANK OF THE YEAR – GLOBAL
The Banker

BEST BANK IN THE WORLD
Global Finance

WORLD’S BEST DIGITAL BANK
Euromoney

WORLD’S BEST BANK FOR SMEs
Euromoney

SME BANK OF THE YEAR – GLOBAL (PLATINUM WINNER)
Global SME Finance (International Finance Corporation)

CASH MANAGEMENT GLOBAL BEST SERVICE – OVERALL: #1
Euromoney

#1 BEHIND THE LOGIN EXPERIENCE
MyPrivateBanking

BEST PRIVATE BANK FOR INNOVATION
PWM/ The Banker

BEST PRIVATE BANK FOR ENTREPRENEURS – GLOBAL
Global Finance