

**ADJOURNED ANNUAL GENERAL MEETING TO BE HELD ON 30 APRIL 2020  
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

**30 April 2020** – DBS Group Holdings Ltd (“DBSH”) would like to thank shareholders for submitting their questions in advance of our adjourned Annual General Meeting (“AGM”) held by electronic means on 30 April 2020.

***Responses to substantial questions which are relevant to the resolutions tabled for approval at the AGM***

Due to the high volume of questions received resulting in overlaps in many of the questions asked, we will not be providing responses to every question received. Instead we have set out our responses to your questions through the following themes:

- (i) Financials
- (ii) Final Dividend for FY2019
- (iii) Directors’ fees
- (iv) Board renewal/ Succession planning
- (v) Capital management
- (vi) Scrip dividend
- (vii) Share buyback
- (viii) Others

Please refer to our responses as set out in [Appendix 1](#).

***Other questions relating to future outlook and strategies***

We also received many questions relating to our business outlook, dividend outlook and credit outlook (including impact arising from Covid-19 and decline in oil prices).

As we had released our 1<sup>st</sup> quarter 2020 trading update earlier today, shareholders can refer to the CEO and CFO presentation decks, which can be found on our Investors page (<https://www.dbs.com/investors/default.page>) for more information on these matters. The audio recording of the media briefing will be available on our Investors page by 1 May 2020, and the media briefing transcript will be available on our Investors page by 8 May 2020.

Our CEO, Mr Piyush Gupta, will provide more information on these topics during his presentation at the AGM this afternoon.

## APPENDIX 1

Theme	No.	Questions	Responses
Financials	1	In AR FY2019, cashflows statement, depreciation of PPE is 609mil, but in Note 25.1, Group level the depreciation charged is 376mil, why they are not tally?	The new accounting standard on leases, Singapore Financial Reporting Standards (SFRS) (I) 16, came into effect on 1 January 2019 and requires all leases (other than short-term leases and leases of low value assets) to be capitalised on the balance sheet as right-of-use (ROU) assets and lease liabilities. The depreciation charge of \$609 million in the cash flow statement is an aggregate of the depreciation charge of \$376 million for owned properties and other fixed assets (See note 26.1 on page 148 of our 2019 Annual Report) and the depreciation charge of \$233 million for leased properties and other fixed assets (ROU assets) (See note 26.2 on page 149 of our 2019 Annual Report).
	2	South and Southeast Asia has slipped back to a loss of 22m last FY. When will DBS India be expected to gain traction, and be profitable?	To be a leading Asian bank, it is important that we have a meaningful presence in the region's largest markets. We continue to invest in India and Indonesia, and that has weighed on earnings. We anticipate that our overall India franchise will be profitable this year.
	3	Given that reverse charge GST is implemented this year, what is the impact, if material, on the balance sheet or cash outflow? Based on data for Jan 2020 to Mar 2020, is it possible to extrapolate the data?	Commercial banks in Singapore can get a refund of 72% of GST paid from the Singapore tax authority. The additional non-recoverable GST cost is not material to the bank.  For 1Q20, the cost was around SGD 2 million and for the full year, we estimate the impact to be around SGD 5 million.
	4	To strengthen the balance sheet, is acquisition of another bank viable?  What are your plans for M&A?	We are open but prefer bolt-on acquisitions. Small-ticket deals, such as our Soc-Gen and ANZ acquisitions, have been most effective as integration is manageable and will not distract us from our digital agenda. A transaction has to be in a strategic business in a country that is important to us. The numbers must also work.
Final Dividend for FY2019	5	Any update to dividend payment date?	The FY2019 Final Dividend of 33 cents per share will be paid on 26 May 2020.

Theme	No.	Questions	Responses
	6	Will you be making quarterly or half-yearly dividend pay-out, given the change in quarterly reporting requirements?	We will maintain the payment of quarterly dividends.
	7	Does DBS have a fixed dividend policy?	Our policy had always been to pay sustainable dividends that rise progressively with earnings over the long term.
Directors' Fees	8	Will the Board be taking any remuneration cuts for FY2020?	<p>At the upcoming AGM, we are seeking shareholders' approval for directors' fees in respect of services provided during financial year 2019.</p> <p>The directors' fees for financial year 2020 will be reviewed by the Board at the end of 2020/early 2021.</p>
Board renewal	9	Could you outline your plans for board renewal going forward?	We continue to be on the lookout for potential candidates with the appropriate skillsets and expertise who can supplement the collective skillsets of the Board, or replace skillsets of long-serving directors. Since November 2017, we have appointed 5 new independent directors, while 3 long-serving directors have stepped down from the Board.
Succession Planning	10	When will Mr Gupta's tenure as CEO end, and who are the candidates identified as potential replacements?	Piyush is not on a contract, so he is not on a fixed tenure, and will continue to be CEO of DBS for the foreseeable future. That said, like any organisation which recognises the importance of good governance, we take succession planning very seriously. In fact, succession planning is something we do not just for the CEO role, but for all senior management roles, and the plan is reviewed annually.
	11	Are there any leadership renewal plans that shareholders can look forward to?	At DBS, we are committed to grooming talent from within. This involves giving them exposure to new roles, whether in businesses or geographies. In 2019, we announced several senior-level organisational changes. Jeanette Wong, who had led our Institutional Banking Group since 2008, retired in March 2019. To allow for a seamless transition, Tan Su Shan, who was previously Head of Consumer Banking and Wealth Management, succeeded her.

Theme	No.	Questions	Responses
			<p>Sim S. Lim, who was previously Singapore Country Head, succeeded Su Shan. Shee Tse Koon, who was Head of Strategy and Planning, took over as Singapore Country Head. Jimmy Ng took over as Chief Information Officer in August 2019, and Han Kwee Juan left Citibank to join us as Head of Strategy and Planning in April 2019.</p>
Capital Management	12	Do you expect to have to raise any debt or equity during the year?	We do not expect to raise any capital instruments (term subordinated debt or perpetual securities) during the year.
	13	Will bank reconsider refinancing all the notes and perpetuities as rates have fallen significantly. There will be considerable savings if the liabilities are refinanced at lower rates.	<p>Notes and perpetual securities that qualify as capital are callable during specific periods and our ability to exercise such calls is also subject to regulatory approval.</p> <p>Nonetheless, we approach funding on a holistic basis, and will look to price all sources of liquidity efficiently.</p> <p>We have taken advantage of market conditions and completed an Additional Tier 1 issue of US\$1 billion at a very respectable 3.3%.</p>
Scrip dividend	14	When can your scrip dividend be resumed?	We will evaluate and activate the scrip dividend scheme when appropriate.
Share buybacks	15	<p>Why do you always do share buybacks instead of using the cash to improve the business in this downturn?</p> <p>Has the bank stop its share buyback now due to MAS's advisory? Are there still share buybacks going on?</p>	<p>We conduct buybacks primarily to support the vesting of awards for our employee share plans over a 3-4 year period. Our earlier buybacks were sized such that they do not compromise our capital position and ability to extend help to customers. However, recognising that these are unprecedented times for all, we are supportive of the spirit behind MAS' call not to buy back shares during this period.</p>
Others	16	How will DBS compete with the digital banks when they commence operations in Singapore? What do you see as the impact on DBS?	<p>New entrants into any market increase competitive intensity, and the five new virtual banks who will be awarded licences this year are no exception to the rule. In addition, it is likely that the new competitors will be free from the burden of legacy, and have access to large resources. Therefore, they will quite possibly be able to disrupt the</p>

Theme	No.	Questions	Responses
			<p>market in interesting ways, and are not to be underestimated.</p> <p>However, our view is that it will not be easy for new entrants to be successful in the short or medium term. There are a few factors to consider:</p> <ul style="list-style-type: none"> <li>a) The Singapore banking market is not a large market, and banking penetration is high, at over 98%. There are really no obvious underserved segments; to the extent they exist, the revenue pools are likely to be small.</li> <li>b) The incumbents – including DBS – have made credible strides in their own digital offerings over the past few years. The new players will not find it easy to create very differentiated offerings.</li> <li>c) Once the players reach a certain minimum size, the capital requirements are sizeable, and the onus for regulatory compliance will create challenges. On the back of the Uber and WeWork IPOs, it is unlikely that investors will have appetite for continued unlimited cash burn without a line of sight to EBITDA and returns.</li> <li>d) While competitors are likely to drive price competition, it is a healthy sign that the regulators are unwilling to support predatory pricing. In industries like e-commerce and ride hailing, deep discounting with a “winner take all” mentality has led to industry instability. Such instability in financial services may be unwise.</li> </ul> <p>DBS has been preparing for this new form of competition for the past six years by seeking to disrupt ourselves before someone else can! We have built sufficient organisational capability and muscle in our technology, our products and our people to be able to compete effectively. While any new competition must be taken seriously, the incumbent players will hold our own. With the Singapore banking market already well</p>

Theme	No.	Questions	Responses
			<p>served by more than 200 players, the additional competition from five new digital banks is likely to be manageable.</p>
	17	<p>How is DBS assisting its SME borrowers to survive and assisting the Government in different initiatives during these challenging times.</p>	<p>We are proactively engaging our SME customers to meet their cash flow needs. Since the Covid-19 outbreak, we have availed SGD 3.2 billion of government-assisted loans to SMEs in Singapore. For SMEs wanting to borrow smaller amounts, we have made available the Digital Business Loan, with a loan quantum of up to SGD 200,000. Clients only need to service interest for the first 12 months, and processing fees, usually pegged at 1% of the loan quantum have been waived.</p> <p>We are also providing clients with loan moratoriums for more than 1,800 corporate facilities, representing more than SGD 3.4 billion in total loans outstanding.</p> <p>In addition, we are tapping on DBS' extensive network of partners to offer tailored packages customised to different SME segments. The DBS F&amp;B Digital Relief Package, launched in late March, enables F&amp;B establishments tap new income streams by helping them build an online presence in just three days. DBS is in the process of onboarding over 100 F&amp;B businesses from household chains to hotels, standalone cafes and restaurants.</p>
	18	<p>The government has gone out of its way to help businesses affected badly by the pandemic; in particular the tourism and transport sectors. What is the bank doing to help its long-standing customers in these and related sectors?</p>	<p>We have been supporting our longstanding clients, comprising both large corporates and SMEs, across a multitude of sectors, including tourism, transport, F&amp;B through this difficult period. Ensuring that these companies have liquidity and cashflow is first and foremost. We continue to lend to companies with a good track record, and are also offering interest/ principal moratoriums as part of our suite of relief measures. In the first quarter, DBS also helped a number of notable Singapore companies such as PSA and SATS tap the Sing-dollar bond market for funds.</p>

Theme	No.	Questions	Responses
	19	Do you see the damage from the virus changing your strategy?	<p>Our strategy is predicated on Asia's megatrends, including the rising middle class, growing intraregional trade, urbanisation, the rapid adoption of technology that is fuelling new innovations and building a sustainable business.</p> <p>We seek to intermediate trade and capital flows as well as support wealth creation in Asia. Our established and growing presence in Greater China, South Asia and Southeast Asia makes us a compelling Asian bank of choice.</p> <p>We think and behave like big technology companies where we can respond to rapidly changing customer demands with agility and scale, deliver simple, fast and contextual banking solutions offering differentiated customer experiences.</p> <p>We aim to build a company of purpose that is here for the long term and achieve sustainable growth while creating value for all. We do this through our three sustainability pillars: responsible banking, responsible business practices and creating social impact.</p>
	20	If the situation worsens, will the higher management take the lead to cut their own salaries and/or bonuses, before the last resort to retrench staff or ask staff to take no pay leave? I believe the welfare and morale of rank and file workers is just as important.	<p>We will not be retrenching or placing staff on no-pay leave.</p> <p>We are cognisant of the need to tightly manage expenses during these challenging times. Variable compensation accounts for a large part of senior management compensation, and it will be adjusted in tandem with earnings.</p>
	21	Is there a breakdown of revenue by % earned from high networth clients vs from retailers? If there is a huge disparity, should the Board be looking to concentrate on one segment of customers only? I am asking because most times, as a retail customer, the relationship managers do not seem to bother much if I want	<p>We are quite privileged that our retail and wealth segments have an equal contribution to business, so no one segment is more important than the other. The nature of our offering differs across segments, with customers being "accredited investors (AI)" or "non-accredited investors (non-AI)" based on their profile and risk appetite. This determines the range and complexity of the products and solutions availed to them. Retail customers are non-AI and as per MAS' guidance, can only access non-AI</p>

Theme	No.	Questions	Responses
		<p>solutions, other than the insurance-linked products they are selling. If DBS earns revenue mostly from high networth clients, perhaps retrain existing relationship managers to handle high networth clients might be better for DBS.</p>	<p>offerings. Our wealth planning managers catering to retail customers are trained to provide holistic financial planning advice through a mix of non-AI products such as unit trusts, life &amp; general insurance, and mortgages. Training and upskilling are also top of our agenda; we conduct regular wealth/ financial planning trainings to ensure staff are well-placed to advise customers based on their financial needs. We remain committed to taking care of our customers and will continue pushing ahead on this front.</p>
	22	<p>Was wondering what is the company's train of thought when selecting causes or projects in terms of its Corporate Social Responsibility endeavours?</p>	<p>As a purpose driven organisation, we believe in championing social enterprises. These are businesses with a dual bottom line - a social and a commercial bottom line. To amplify our ability to create social impact, we set up the DBS Foundation 6 years ago to focus on nurturing and supporting social enterprises in Asia. We also have the flexibility to support other causes such as education, elderly and the environment through our employee volunteerism programmes.</p> <p>We recently announced the establishment of a SGD 10.5 million Stronger Together Fund to help communities hard-hit by Covid-19 across the region. With this fund, we will provide 4.5 million meals and care packs to those affected. We will also fund the procurement of diagnostic test kits, personal protective equipment and other medical supplies to help in the fight against Covid-19.</p>
	23	<p>How long will it take for DBS' share price to recover to \$25?</p>	<p>The market will find its own level. Management focuses on delivering earnings for the company, which we believe the market will recognise us for.</p>
	24	<p>Will DBS change its base to Hong Kong in long run?</p>	<p>DBS was born in Singapore, and we grew alongside the nation to become the bank we are today.</p> <p>We remain firmly rooted in Singapore and have no plans to move our headquarters.</p>