

Corporate governance



Awards

We received several accolades for our corporate governance in 2022, including but not limited to the following Gold awards at the Singapore Corporate Awards 2022 (For companies with SGD 1 billion and above in market capitalisation):

- Best Managed Board; and
- Best Risk Management.

Governance framework

Our governance framework is anchored on competent leadership, effective internal controls, a strong risk culture and accountability to stakeholders. Our Board plays a key role in setting our governance standards to meet our stakeholders' expectations, and our leadership model ensures an appropriate balance of power, accountability and independence in decision-making across our various functional and geographic units.

Our corporate governance practices comply with the Banking (Corporate Governance) Regulations 2005 (Banking Regulations) and the Financial Holding Companies (Corporate Governance of Designated Financial Holding Companies with Bank Subsidiary) Regulations 2022 (FHC Regulations) (together with the Banking Regulations, the Regulations). We also comply, in all material aspects, with the Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers issued by the Monetary Authority of Singapore (MAS) on 9 November 2021 (Revised CG Guidelines), which comprise:

- the Code of Corporate Governance 2018 (2018 Code); and
- the additional guidelines added by the MAS to take into account the unique characteristics of the business of banking, given the diverse and complex risks undertaken by financial institutions (Additional Guidelines).

The expectations in the Revised CG Guidelines that relate to disclosures are effective from 1 January 2022 and will apply to financial institutions' annual reports covering financial years commencing from 1 January 2022.

We have described our corporate governance practices for our financial year ended 31 December 2022 with specific reference to the 2018 Code and the Additional Guidelines. A summary disclosure of our compliance with the express disclosure requirements in the 2018 Code and the Additional Guidelines, have been provided on pages 108 to 110.

Competent leadership

Our board

Key Information on our Directors

Chairman

Mr Peter Seah

Our Chairman, Mr Peter Seah, sits on all Board committees (other than the recently established Board Sustainability Committee) and also chairs the Board Executive Committee (EXCO). Mr Seah performs a key role as an ambassador for DBS in our dealings with various stakeholders as well as in ensuring effective communication with our shareholders. He guides the Board through its decision-making process and ensures that the Board operates effectively as a team.

Board

10 Members

Mr Peter Seah	Mr Chng Kai Fong	Ms Punita Lal
Mr Piyush Gupta	Dr Bonghan Cho	Ms Judy Lee
Mr Olivier Lim*	Mr Ho Tian Yee	Mr Anthony Lim
		Mr Tham Sai Choy

The Board directs DBS in the conduct of its affairs and provides sound leadership to management. We have 10 Board members (including two female directors) with a broad range of experience and deep industry expertise. The make-up of our Board reflects diversity of gender, nationality, age, skills and knowledge. Independent Directors form the majority of the Board, and there are no alternate Directors on our Board.

*Lead Independent director

The Lead Independent director, Mr Olivier Lim, had regular private sessions with the other independent directors in the course of the year and provided feedback to the Chairman where necessary.

Chairman, Board and CEO

There is a very positive and constructive working relationship between our Chairman, Mr Peter Seah and CEO, Mr Piyush Gupta. Mr Gupta oversees the execution of DBS' strategy and is responsible for managing the day-to-day operations. Other than the CEO, none of the other Directors is a former or current employee of DBS or its subsidiaries.

The table below sets out key information on our Directors, the number of meetings which our Directors attended during 2022 as well as the remuneration for each Director

for financial year ended 31 December 2022 (FY2022). The remuneration of Non-Executive Directors (including the Chairman) does not include any variable component. Please refer

to pages 56 to 57 for more details on the Non-Executive Directors' fee structure for FY2022.

Director Independence status	Meetings attendance record (1 January to 31 December 2022)									Total Directors' remuneration for FY2022 (SGD)		
	BOD ⁽¹⁾	NC ⁽²⁾	EXCO ⁽³⁾	AC ⁽⁴⁾	BRMC ⁽⁵⁾	CMDC ⁽⁶⁾	AGM	Offsite ⁽⁷⁾	BSC ⁽⁸⁾	Directors' fees ^(a) (SGD)	Share-based remuneration ^(b) (SGD)	Others ^(c) (SGD)
	No. of meetings held in 2022											
Mr Peter Seah, 76 Non-Executive and Non-Independent Chairman	5	5	12	4	5	4	1	1	-	Total: 1,946,901.41		
<ul style="list-style-type: none"> Chairman since 1 May 10 Board member since 16 Nov 09 Last re-elected on 30 Apr 20 	5	5	12	4	5	4	1	1	-	1,329,300	569,700	47,901.41
Dr Bonghan Cho, 58 Non-Executive and Independent Director	5	5	-	4	-	4	1	1	-	Total: 299,000		
<ul style="list-style-type: none"> Board member since 26 Apr 18 Last re-elected on 31 Mar 22 	5	5	-	4	-	4	1	1	-	209,300	89,700	-
Mr Ho Tian Yee, 70 Non-Executive and Non-Independent Director	5	-	-	-	5	-	1	1	-	Total: 214,000		
<ul style="list-style-type: none"> Board member since 29 Apr 11 Last re-elected on 30 Apr 20 Stepped down as Lead Independent Director on 29 Apr 20 	5	-	-	-	5	-	1	1	-	149,800	64,200	-
Mr Olivier Lim, 58 Non-Executive and Lead Independent Director	5	5	12	-	5	-	1	1	-	Total: 429,000		
<ul style="list-style-type: none"> Board member since 7 Nov 17 Last re-elected on 31 Mar 22 Lead Independent Director since 29 Apr 20 	5	5	12	-	5	-	1	1	-	300,300	128,700	-
Mr Tham Sai Choy, 63 Non-Executive and Independent Director	5	5	-	4	5	-	1	1	2 ^(d)	Total: 407,782		
<ul style="list-style-type: none"> Board member since 3 Sep 18 Last re-elected on 31 Mar 22 	5	5	-	4	5	-	1	1	2 ^(d)	285,447.40	122,334.60	-
Ms Punita Lal, 60 Non-Executive and Independent Director	5	5	-	4	-	4	1	1	-	Total: 293,500		
<ul style="list-style-type: none"> Board member since 1 Apr 20 Last re-elected on 30 Mar 21 	5	5	-	4	-	4	1	1	-	205,450	88,050	-
Mr Anthony Lim, 64 Non-Executive and Independent Director	5	-	12	-	5	4	1	1	-	Total: 369,500		
<ul style="list-style-type: none"> Board member since 1 Apr 20 Last re-elected on 30 Mar 21 	5	-	12	-	5	4	1	1	-	258,650	110,850	-
Mr Chng Kai Fong, 44 Non-Executive and Non-Independent Director	5	4	-	4	-	-	1	1	2 ^(e)	Total: 292,282		
<ul style="list-style-type: none"> Board member since 31 Mar 21 Last re-elected on 31 Mar 22 	5	4	-	4	-	-	1	1	2 ^(e)	292,282	-	-

Director Independence status	Meetings attendance record (1 January to 31 December 2022)									Total Directors' remuneration for FY2022 (SGD)		
	BOD ⁽¹⁾	NC ⁽²⁾	EXCO ⁽³⁾	AC ⁽⁴⁾	BRMC ⁽⁵⁾	CMDC ⁽⁶⁾	AGM	Offsite ⁽⁷⁾	BSC ⁽⁸⁾	Directors' fees ^(a) (SGD)	Share-based remuneration ^(b) (SGD)	Others ^(c) (SGD)
	No. of meetings held in 2022											
	5	5	12	4	5	4	1	1	2			
Ms Judy Lee, 55 Non-Executive and Independent Director • Board member since 4 Aug 21 • Last re-elected on 31 Mar 22	5	-	-	4	5	4	1	1	2 ^(f)	Total: 365,282		
										255,697.40	109,584.60	-
Mr Piyush Gupta, 63 Executive Director/ CEO • Board member since 9 Nov 09 • Last re-elected on 30 Mar 21	5	5 [#]	12 [#]	4 [#]	5 [#]	4 [#]	1	1	2 ^(g)	Please refer to the Remuneration Report on page 63 for details on the CEO's compensation		

- **Appointment Dates**
- # *Mr Gupta attended these meetings at the invitation of the respective committees.*
- (1) *Board of Directors (BOD)*
- (2) *Nominating Committee (NC)*
- (3) *Board Executive Committee (EXCO)*
- (4) *Audit Committee (AC)*
- (5) *Board Risk Management Committee (BRMC)*
- (6) *Compensation and Management Development Committee (CMDC)*
- (7) *This is our annual board strategy offsite*
- (8) *Board Sustainability Committee (BSC)*
- (a) *Fees payable in cash, in 2023, for being a Director in 2022. This is 70% of each Director's total remuneration and is subject to shareholders' approval at the 2023 AGM.*
- (b) *This is 30% of each Director's total remuneration and shall be paid in the form of DBSH ordinary shares. The actual number of DBSH's ordinary shares to be awarded will be rounded down to the nearest share, and any residual balance will be paid in cash. This is subject to shareholders' approval at the 2023 AGM.*
- (c) *Represents non-cash component and comprises for Mr Peter Seah: car and driver.*
- (d) *Mr Tham Sai Choy was appointed as member of the BSC on 11 February 2022.*
- (e) *Mr Chng Kai Fong was appointed as member of the BSC on 11 February 2022. Director's remuneration payable to Mr Chng Kai Fong will be paid fully in cash to a government agency, the Directorship and Consultancy Appointments Council.*
- (f) *Ms Judy Lee was appointed as member of the BSC on 11 February 2022.*
- (g) *Mr Gupta was appointed as chairman of the BSC on 11 February 2022.*

(Note: Directors are also paid attendance fees for Board and Board committee meetings, as well as for attending the AGM and the annual Board offsite.)

2022 board composition



Board and Board Committee Composition and Key Responsibilities

Members	Composition requirements	Key Responsibilities
Board	In compliance with the Regulations, the Board comprises a majority of directors who are independent and who are Singapore citizens or permanent residents.	<ul style="list-style-type: none"> • Sets the strategic direction and long-term goals of DBS, and ensures that adequate resources are available to meet these objectives. • Monitors the responsibilities delegated to the Board committees to ensure proper and effective oversight and control of DBS' activities. • Establishes a framework for risks to be assessed and managed. • Reviews management performance. • Determines DBS' values and standards (including ethical standards) and ensures that obligations to its stakeholders are understood and met. • Ensures that corporate responsibility and ethical standards underpin the conduct of DBS' business. • Develops succession plans for the Board and CEO. • Considers sustainability issues (including environmental and social factors) as part of DBS' strategy. <p>Board meetings and activities</p> <p>Board and Board committee meetings are scheduled well in advance of each year in consultation with the Directors. There are five scheduled Board meetings each year. Ad-hoc meetings are also held when necessary. Please refer to the Board highlights – 2022 section on pages 49 to 50 for more information on the key focus areas of the Board in 2022.</p> <p>Before each Board meeting, the Chairman oversees the setting of the agenda of Board meetings, in consultation with the CEO, to ensure that there is sufficient information and time to address all agenda items.</p> <p>The agenda also allows for flexibility when needed. Directors are provided with complete information related to agenda items in a timely manner. All materials for Board and Board committee meetings are uploaded onto a secure portal which can be accessed on tablet devices provided to the Directors.</p> <p>During every quarterly Board meeting:</p> <ul style="list-style-type: none"> • the Chairperson of each Board committee provides an update on significant matters discussed at the Board committee meetings which are typically scheduled before the quarterly Board meeting; • the CFO presents the financial performance for that the quarter/ applicable period and significant financial highlights; • the CEO gives an update on certain aspects of the Group's business and operations and/ or a macro perspective on industry trends and developments; • the Board holds a private session for Directors; and • the Lead Independent Director holds a private session with the other independent Directors. <p>In addition to the quarterly Board meetings, a Board meeting is typically scheduled in December each year where the CEO gives the Board an update on DBS' performance against the balanced scorecard for that financial year. In addition, the CEO and CFO will present the Group's budget for the next financial year to the Board for approval.</p> <p>The Chairman promotes open and frank debates by all Directors at every Board meeting. If there is a conflict of interest, the Director in question will recuse himself or herself from the discussions and abstain from participating in any Board decision. When exigencies prevent a Director from attending a Board or Board committee meeting in person, that Director can participate by telephone or video-conference.</p> <p>Directors have the discretion to engage external advisers. External professionals or in-house subject matter experts may also be invited to present key topics to the Board as well as updates on corporate governance, risk management, capital, tax, accounting, listing and other regulations, which may have an impact on DBS' affairs.</p>

Members	Composition requirements	Key Responsibilities
		<p>Directors have independent access to the Group Secretary. The Group Secretary attends all Board meetings and minutes are prepared to record key deliberations and decisions taken during the meetings. The Group Secretary facilitates communication between the Board, its committees and management, and generally assists Directors in the discharge of their duties. The Group Secretary helps with the induction of new Directors. The appointment and removal of the Group Secretary require the approval of the Board.</p> <p>Annual Board strategy offsite Each year, the Board and our senior executives attend a strategy offsite held in one of our markets, which allows them to:</p> <ul style="list-style-type: none"> focus on DBS' long-term strategy apart from the regular agenda at the quarterly Board meetings; engage in dynamic and in-depth strategic discussions to promote deeper understanding of our business environment and our operations, and refine our strategy; and engage with our stakeholders in the host country (such as regulators, media, customers including CEOs and CFOs of our corporate clients and staff in the local franchise). <p>The 2022 Board strategy offsite was held in the third week of September 2022. Please refer to the Board highlights – 2022 section on page 49 for more information on the discussions during the 2022 Board strategy offsite.</p> <p>Frequent and effective engagement Directors have ongoing interactions across various levels, functions and countries within DBS. In addition, some Directors also sit on the boards of our overseas subsidiaries; this arrangement gives the Board access to first-hand insight on the activities of these subsidiaries. The CFO provides the Board with detailed financial performance reports monthly.</p> <p>Directors also have various opportunities to interact with members of the Group Management Committee (GMC) (for instance, at quarterly Board-hosted dinners and during the annual board strategy offsite).</p> <p>Delegation by the Board to the Board committees The Board has delegated authority to various Board committees to enable them to oversee certain specific responsibilities based on their terms of reference. The terms of reference of each Board committee set out the responsibilities of the Board committee, conduct of meetings including quorum, voting requirements and qualifications for Board committee membership. All our Board committees (other than the BSC) comprise non-executive Directors only. Any change to the terms of reference for any Board committee requires Board approval. The minutes of Board committee meetings, which records the key deliberations and decisions taken during these meetings, are circulated to all Board members for their information.</p>
<p>Nominating Committee (NC)</p> <ul style="list-style-type: none"> Mr Tham Sai Choy (Chairperson) Mr Olivier Lim (Lead Independent Director) Dr Bonghan Cho Ms Punita Lal Mr Peter Seah Mr Chng Kai Fong 	<p>In accordance with the requirements of the Regulations, a majority (four out of six members of the NC including the NC Chairperson) are Non-Executive and Independent Directors (INED). The Lead Independent Director is a member of the NC.</p> <p>All NC members are required to be re-appointed by the Board annually. Under the Regulations, every NC member shall hold office until the next annual general meeting following that member's appointment, and shall be eligible for re-appointment. The appointment and re-appointment of NC members require the prior approval of MAS.</p>	<ul style="list-style-type: none"> Regularly reviews the composition of the Board and Board committees, and independence of Directors; Identifies, reviews and recommends Board appointments for approval by the Board, taking into account the industry knowledge, skills, background, experience, professional qualifications, age and gender of the candidate and the needs of the Board; Conducts an annual evaluation of the performance of the Board, the Board committees and the Directors; Implements the Board Diversity Policy and reviews its effectiveness; Exercises oversight of the induction programme and continuous development programme for Directors, and ensures that first-time directors with no prior experience as a director of a listed company in Singapore undergo relevant training; Reviews and recommends to the Board the re-appointment of each Director having regard to his/ her performance, commitment and ability to contribute to the Board as well as his/ her age and skillset; Assesses annually whether each Director has sufficient time to discharge his/ her responsibilities; and Reviews the Board's succession plans for Directors.

Members	Composition requirements	Key Responsibilities
<p>Board Executive Committee (EXCO)</p> <ul style="list-style-type: none"> Mr Peter Seah (Chairperson) Mr Olivier Lim Mr Anthony Lim 	<p>In accordance with the requirements of the Regulations, a majority (two out of three members of the EXCO) are INEDs.</p>	<ul style="list-style-type: none"> Approves certain matters specifically delegated by the Board such as acquisitions and divestments up to a certain material limit, credit transactions, investments, capital expenditure and expenses that exceed the limits that can be authorised by the CEO; Reviews weak credit cases on a quarterly basis; Oversees the governance of strategic risks such as technology, artificial intelligence and data (including data privacy and appropriate use of data); and Reviews and provides recommendations on matters that will require Board approval, including acquisitions and divestments exceeding certain material limits.
<p>Audit Committee (AC)</p> <ul style="list-style-type: none"> Mr Tham Sai Choy (Chairperson) Dr Bonghan Cho Ms Punita Lal Ms Judy Lee Mr Peter Seah Mr Chng Kai Fong 	<p>In accordance with the requirements of the Regulations, a majority (four out of the six members of the AC including the AC Chairperson) are INEDs.</p> <p>Mr Tham possesses an accounting qualification and was formerly the managing partner and Head of Audit of KPMG, Singapore. All members of the AC are non-executive directors, and have recent and relevant accounting or related financial management expertise or experience.</p>	<p>Financial reporting and disclosure matters</p> <ul style="list-style-type: none"> Monitors the financial reporting process, significant financial reporting issues and judgements to ensure the integrity of the Group's consolidated financial statements; Reviews the Group's consolidated financial statements, other financial disclosures (including Basel Pillar 3 disclosures) and any announcements relating to the Group's financial performance prior to submission to the Board; and Provides oversight of external disclosure governance. <p>Internal controls</p> <ul style="list-style-type: none"> Reviews (in parallel with the Board Risk Management Committee) the adequacy and effectiveness of internal controls, such as financial, operational, compliance and information technology controls, as well as risk management systems; Receives updates on significant incidents of non-compliance with laws and regulations, and reviews management's investigations of such incidents; Reviews and monitors remedial action plans to address significant internal control deficiencies identified by management, Group Audit, the external auditor and/ or regulators; Ensures that there are policies and arrangements in place by which DBS staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensures that arrangements are also in place for such concerns to be independently investigated and for appropriate follow-up action to be taken; Reviews the significant matters raised through the whistle-blowing channel; and Reviews all material related party transactions (including interested person transactions) and keeps the Board informed of such transactions, and the findings and conclusions from its review. <p>Internal audit</p> <ul style="list-style-type: none"> Reviews at least annually, the independence, adequacy and effectiveness of the Group's internal audit function (Group Audit) and processes, and ensures that Group Audit is adequately resourced and set up to carry out its functions, including approving its budget; Reviews Group Audit's audit plans, the proposed areas of audit focus, and results of audits; Ensures that an internal quality assurance review (QAR) of Group Audit is conducted annually, and that an independent QAR is conducted at least once every five years; and Approves the hiring, removal, resignation, evaluation and compensation of the Head of Group Audit.

Members	Composition requirements	Key Responsibilities
		<p>External auditor</p> <ul style="list-style-type: none"> Determines the criteria for selecting, monitoring and assessing the external auditor, and makes recommendations to the Board on the appointment, re-appointment and removal of the external auditor; Approves the remuneration and terms of engagement of the external auditor; Reviews and discusses the key audit matters (identified by the external auditor pursuant to auditing standards) with the external auditor and management, and ascertains if these matters are presented appropriately; Reviews the scope and results of the external audits and the independence, adequacy and objectivity of the external auditor; Ensures that the external auditor promptly communicates to the AC, any information regarding internal control weaknesses or deficiencies, and that significant findings and observations regarding weaknesses are promptly rectified; and Reviews the assistance given by management to the external auditor. <p>The AC has the authority to investigate any matter within its terms of reference, and has full access to and cooperation from management.</p>
<p>Board Risk Management Committee (BRMC)</p> <ul style="list-style-type: none"> Mr Olivier Lim (Chairperson) Mr Tham Sai Choy Mr Anthony Lim Ms Judy Lee Mr Peter Seah Mr Ho Tian Yee 	<p>All BRMC members are non-executive Directors, which exceeds the requirements of the Regulations.</p> <p>All BRMC members are appropriately qualified to discharge their responsibilities, and have the relevant technical financial expertise in risk disciplines or businesses.</p>	<ul style="list-style-type: none"> Supports the Board and management in setting the tone from the top so as to embed and maintain appropriate risk culture; Guides the development of, and recommends for the Board's approval, the risk appetite for various types of risk, and exercises oversight on how this is operationalised into individual risk appetite limits; Approves the Group's overall and specific risk governance frameworks; Has direct oversight of the CRO (jointly with the CEO); Oversees the risk assessment framework established to manage the Group's financial crime, cybersecurity, fair dealing and regulatory risks; Oversees an independent risk management system, and the adequacy and appropriateness of resources to identify and evaluate risks; Reviews the risks arising from new business activities, and the associated risk management and governance approach; Reviews (in parallel with the Audit Committee) the adequacy and effectiveness of the Group's internal controls framework; Monitors market developments, such as macro-economic and country risks, financial and operational risks, risk concentrations, and stress tests related to these developments; Monitors risk exposures and profile against relevant risk thresholds, and risk strategy in accordance with approved risk appetite and/ or guidelines; Discusses risk reporting requirements and reviews the risk dashboard to keep track of major risk positions and risk developments; Monitors the quarterly portfolio reviews of total exposures as well as large exposures and asset quality; Discusses large risk events and subsequent remedial action plans; Oversees the risk models governance approach, including approving risk models used for capital computation and monitoring the performance of previously approved models; Exercises oversight of the Internal Capital Adequacy Assessment Process (ICAAP) including approval of stress scenarios and commensurate results for capital, risk-weighted assets, profit and loss and liquidity; Approves the Business Continuity Management attestation and Group Recovery Plan; and Exercises oversight of regulatory requirements relating to risk management.

Members	Composition requirements	Key Responsibilities
<p>Compensation and Management Development Committee (CMDC)</p> <ul style="list-style-type: none"> Mr Anthony Lim (Chairperson) Dr Bonghan Cho Ms Punita Lal Ms Judy Lee Mr Peter Seah 	<p>In accordance with the requirements of the Regulations, a majority (four out of the five members of the CMDC including the CMDC Chairperson) are INEDs.</p>	<ul style="list-style-type: none"> Exercises supervisory oversight of the overall principles, parameters and governance of DBS' remuneration policy and ensures the alignment of compensation with prudent risk taking to build a long-term sustainable business; Oversees the remuneration of senior executives and Directors, including making recommendations to the Board on the remuneration of executive directors; and Exercises oversight on management development and succession planning of the Group and ensures that robust plans are in place to deepen core competencies and bench strength as well as strengthen leadership capabilities and talent pipeline for the continued success of the Group.
<p>Board Sustainability Committee (BSC)</p> <ul style="list-style-type: none"> Mr Piyush Gupta (Chairperson) Mr Tham Sai Choy Ms Judy Lee Mr Chng Kai Fong Dr Ben Caldecott (Non-Director member) 	<p>There are currently no specific composition requirements prescribed under Singapore regulations.</p>	<ul style="list-style-type: none"> Oversees DBS' plans and approves strategies, goals, and targets in relation to the Group's sustainability pillars: Responsible Banking, Responsible Business Practices, and Impact Beyond Banking; Reviews and approves the Group's Sustainability Report, including approaches to meet disclosure requirements such as regulatory specifications or listing obligations; Reviews and approves the Group's climate-related disclosures, including business and financial implications, which may arise from climate-related stress tests, and consider viability of proposed responses; Exercises oversight of the Group's Board and Management governance framework on sustainability matters (e.g., Group Sustainability Council), taking into account regulatory expectations, including those for material operating subsidiaries; and Oversees emerging sustainability issues and the strategies and outreach programmes for engaging our key stakeholder groups.

* Names denoted in red are INEDs.

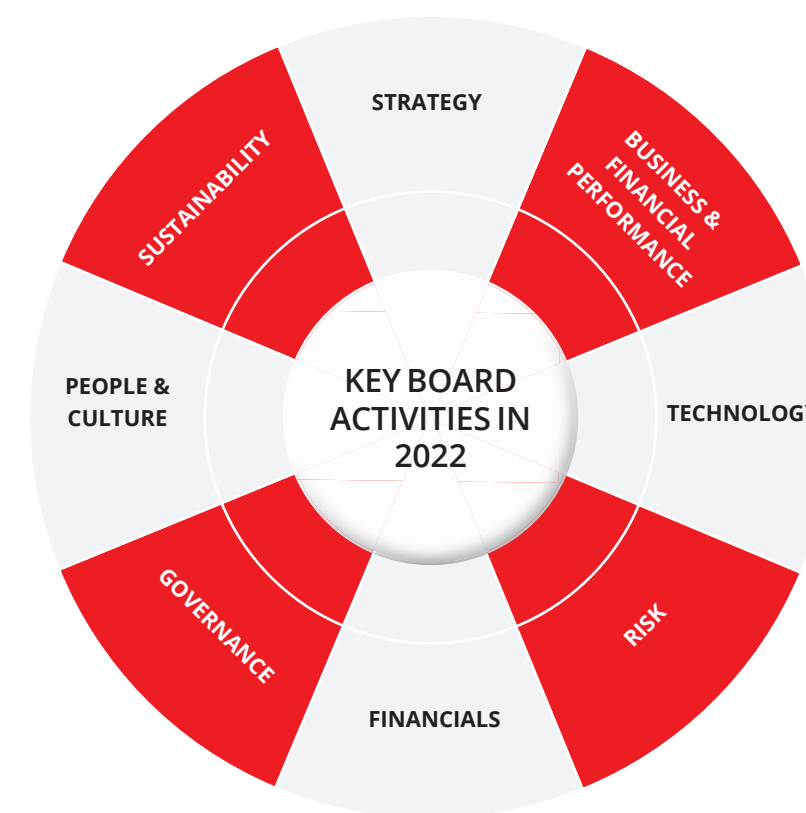
Highlights of Board and Board Committees – 2022

Board highlights – 2022

Focus on Strategy

The Board had comprehensive and rigorous discussions in the course of 2022 on how DBS could create value for all stakeholders by (i) leveraging on its technology strengths to build new engines of growth; (ii) accelerating growth in various Asian markets; (iii) increasing and entrenching our market-leading sustainability efforts; and (iv) formulating a strategy for entrenching our Singapore market leadership by leveraging on digitalisation and technology. During the annual Board strategy offsite (which was held in September 2022), the Board actively deliberated on, *inter alia*:

- geopolitical developments on global supply chains and Asian businesses, and macroeconomics;
- our Greater China strategy;
- evolution and future landscape of the digital finance space and our competitive advantage;
- view and current expectations of traditional, institutional and venture-capitalist/ growth investors as well as our communication outreach; and
- sustainability issues.



Technology, Risks and Resiliency Improvement Plan

The Board had an in-depth discussion on the independent technology review remediation conducted by KPMG and our Resiliency Improvement Plan updates. In particular, the KPMG independent technology review provided important observations and recommended opportunities for improvement in key areas surrounding DBS' digital banking processes. The updates on our Resiliency Improvement Plan are organised into several pillars to address key technology risks and included uplifting of certain critical applications and runtimes, focusing on technology architecture, third party software and services and system recovery. It also enhances the governance and structure for incident and crisis management. In addition, the Board was updated on the establishment of a resiliency project steering committee, tasked with the objectives of heightening resiliency, reducing incident occurrence, mitigating incident impact and improving recovery speed.

Sustainability

Environmental, social and governance (ESG) issues were a significant focus area for the Board during 2022. The Board engaged with external subject matter experts and leading business leaders on various matters, including (i) the impact of the current energy crisis, views of the path to Net Zero by 2050 and the future of energy, (ii) key learnings about the energy situation over the last 20-30 years, (iii) industry best practices on sustainability matters where there is currently no consensus on the data capture or metrics to be used, and (iv) the role of intermediaries such as banks, in helping companies manage trade-offs and facilitating a just transition.

People and Culture

People and culture were another area of focus for the Board in 2022. The CEO updated the Board on the 2022 employee survey, "MyVoice" and noted that (i) the Group saw an improvement in the MyVoice engagement score, with improvements across most dimensions (including enabling productivity, wellbeing and hybrid working), and (ii) most of our core markets recorded an increase in employee engagement and outperformed the respective country financial services industry scores.

The Board discussed people and leadership matters, including the need to focus on employee and to provide clear career paths for employees and to drive gender, inter-generational and foreign talent diversity and inclusion. The Board was also updated on (i) feedback from overseas business units, in particular the positive feedback received

from the employees and union of the Citi's Taiwan consumer banking business, (ii) efforts relating to culture and employee experience and integration of the workforce of Lakshmi Vilas Bank (LVB), and (iii) the Group's focus on continuously refreshing leaders, and promoting internal successors with strong innovative, collaborative and growth mindsets.

Pursuing inorganic acquisitions and new business initiatives

The Board reviewed and deliberated on several inorganic acquisitions and new business initiatives, including the (i) establishment of an offshore technology development centre and the setting up of a proprietary development hub in China, to expand our technology capabilities; (ii) establishment of certain variable capital companies to support and expand DBS' wealth management initiatives and product suites; and (iii) commencement of a software business to offer solutions to support enterprises' digital transformation. The Board closely monitored the progress of the (i) acquisition of Citi's Taiwan consumer banking business in the course of 2022; and (ii) progress of the continuing integration process of LVB's business with DBS Bank India (DBIL). The Board also deliberated on the risks arising from new business initiatives and ensured that appropriate risk management and governance policies and procedures were put in place to manage these risks.

Board Renewal

Board renewal is a key focus for us. In 2022, the Nominating Committee (NC) continued the search for potential candidates who could be lined up for appointment as Directors of DBS Group Holdings Ltd (DBSH) and DBS Bank Ltd (DBS Bank). New Directors will be introduced gradually so that the Board and Board committees have a smooth transition period.

Diversity in, *inter alia*, gender and skillsets were one of the key considerations in the board renewal process to ensure that (i) the Board is appropriately balanced to support the long-term success of DBS and (ii) the skillsets of the retiring Directors are replaced and/ or the collective skillsets of the Directors is supplemented, and different perspectives are brought to the Board. Other key considerations included (i) whether the candidate would fit in with our Board's culture and diversity; (ii) the independence status of the candidate; and (iii) whether the candidate would be able to commit sufficient time to fulfil the duties of a Director. A skills matrix is used to assess if the skills and experience of a candidate complement those of the existing Board members. Potential candidates are informed of the level of contribution and commitment expected of a DBS Director.

As part of the Board renewal process:

- Mr Ho Tian Yee will be stepping down from the Board at the conclusion of our forthcoming Annual General Meeting (2023 AGM), having served on the Board for more than 11 years. The Board and Management of DBS would like to express their gratitude to Mr Ho for his invaluable contributions to the DBS Group over the years.
- With Mr Ho's impending retirement and the proposed appointment of an Independent Director: (i) the Board is expected to remain at 10 members; (ii) the proportion of Independent Directors is expected to increase from 6 to 7; and (iii) DBS will benefit from the proposed Independent Director's experience in China, being one of DBS' core market.
- The Board has also taken steps in FY2023 to: (i) effect the appointment of said Independent Director that possesses the relevant experience in the financial industry and in jurisdictions including China and the United States; and (ii) obtain regulatory approval for this appointment.

CEO Updates to the Board

In 2022, the CEO updated the Board on, *inter alia*,

- the entrenchment of our Singapore market leadership;
- the progress and impact of our digitalisation efforts in Singapore;
- bringing our Singapore business to the next level with ecosystem partnerships and data and Artificial Intelligence (AI)/ Machine Learning (ML);
- DBIL's performance and 2023 outlook, as well as the integration of the business of LVB with DBIL;
- the acquisition of Citi's Taiwan consumer banking business;
- progress on the Group scorecard and performance;
- the employee engagement survey results and focus areas;
- the continuation of our transformation journey, by re-architecting the construct of our support units in 2022 to make them more horizontally driven;
- updates on the Group's business strategy in the Greater Bay Area, India and Indonesia;
- driving future growth of our business;
- macro-overview of our core markets;
- various new business initiatives; and
- 2023 key priorities.

Nominating Committee (NC)

"The NC continued its effort to enhance the diversity, gender mix, skills, and experience of the Board. In this respect, we have revised our Board Diversity Policy to adopt a 30% female representation target by 2030 and identified an excellent independent director candidate, who is expected to join our Board after our AGM in 2023, and would complement the existing skillsets and experience of the Board."

The NC also appointed an internationally-recognised sustainable finance expert, Dr Ben Caldecott, as a non-director member to the Board Sustainability Committee, who adds valuable expertise and fresh perspectives to the BSC."

**Tham Sai Choy,
NC Chairman**

Highlights of NC's activities in 2022

Board renewal process

Please refer to the Board highlights – 2022 section on pages 49 to 50.

Selection criteria and nomination process for Directors

Before a new Director is appointed, suitable candidates are identified from various sources. Thereafter, the NC conducts an assessment to:

- review the candidate (including qualifications, attributes, capabilities, skills, age, past experience) to determine whether the candidate is fit and proper in accordance with the fit and proper guidelines issued by the MAS; and
- ascertain whether the candidate is independent from DBSH's substantial shareholder and/ or from management and business relationships with DBS.

The NC then interviews the short-listed candidates and makes its recommendations to the Board. All Board appointments are based on merit, taking into account the contributions the candidates can bring to the Board to enhance its effectiveness. Upon the appointment of a new Director, the NC will recommend to the Board his or her appointment to the appropriate Board committee(s) after matching the Director's skillset to the needs of each Board committee.

Induction and Training for Directors

The NC oversees the onboarding of new Directors. All new Directors go through our induction programme, which covers the duties and obligations of a Director and the responsibilities of and work carried out by the Board committees. We provide a Director's pack, which acts as an aide memoire for the information covered by

the induction programme. We have briefing sessions for Directors given by members of senior management on the various businesses of DBS and its supporting functions. The NC is also responsible for ensuring that new Directors with no prior experience as a director of a listed company in Singapore undergo training in the roles and responsibilities of a director of a listed company.

To equip Directors with the relevant sustainability knowledge, all Directors have completed their mandatory sustainability training in 2022 by attending the sustainability course, "Environmental, Social and Governance Essentials" conducted by the Singapore Institute of Directors.

Annual review of Directors' independence

The NC reviews and determines annually whether each Director is independent in accordance with the stringent standards required of financial institutions prescribed under the Regulations. Under the Regulations, an "independent director" is defined to mean a Director who is:

- independent from any management and business relationship with DBS;
- independent from any substantial shareholder of DBS; and
- has not served on the Board of DBS for a continuous period of nine years or longer.

The NC assessed and concluded that (i) all Directors are considered to be independent from business relationships with DBS; (ii) with the exception of Mr Piyush Gupta, all Directors are considered to be independent from management relationships with DBS; (iii) with the exception of Mr Chng Kai Fong, all Directors are considered to be independent from DBSH's substantial shareholder, Temasek Holdings (Private) Limited (Temasek). Mr Chng, who is the Second Permanent Secretary for The Smart Nation and Digital Government Group, Prime Minister's Office (PMO), Singapore, and concurrently the Second Permanent Secretary for the Ministry of Communications and Information and Cybersecurity, PMO, is considered not independent of Temasek as the Singapore government is its ultimate owner; and (iv) Mr Peter Seah and Mr Ho Tian Yee are Non-Independent directors as they have served on the Board for more than nine years. Based on the NC's assessment, the Independent Directors are Dr Bonghan Cho, Ms Punita Lal, Ms Judy Lee, Mr Olivier Lim, Mr Anthony Lim and Mr Tham Sai Choy.

Although Mr Piyush Gupta, Mr Ho Tian Yee, Ms Judy Lee, Mr Olivier Lim, Mr Anthony Lim, Mr Peter Seah and Mr Tham Sai Choy are on the boards of companies that have business relationships with DBS, and

are also directors of companies in which Temasek has investments (Temasek portfolio companies), the NC considers these Directors (i) independent of business relationships as the revenues arising from such relationships are not material; and (ii) independent of Temasek as their appointments on the boards of Temasek portfolio companies are non-executive in nature and they are not involved in the day-to-day conduct of the businesses of the Temasek portfolio companies. In addition, none of these Directors sit on any of the boards of the Temasek portfolio companies as a representative of Temasek and they do not take instructions from Temasek in acting as Directors.

Board performance and evaluation

The NC makes an assessment at least once a year to determine whether the Board and Board committees are performing effectively and identifies steps for improvement. The NC believes that it is important to obtain an independent perspective on the Board's performance periodically, and to gain insights on the Board's performance against peer boards and best practices. An external evaluator was last engaged to conduct the Board performance evaluation for the financial year ended 2021.

In 2022, the NC considered the results and key action items from the 2021 Board evaluation and decided to use substantially the same evaluation questionnaire for 2021 for benchmarking purposes. The questionnaire included questions on Board composition, Board information, Board processes/ culture, Board accountability, Capital/ risk, Management, Standards of Conduct, Board relationships and effectiveness of Board committees. Each Director was asked to complete the questionnaire and submit it directly to the Group Secretary who collated the responses and produced a summary report for the NC. The NC analysed the report and submitted its findings to the Board. The Board noted the findings of the evaluation and discussed the comments received from several directors.

In addition to the annual Board evaluation exercise, the NC also conducts an annual review of each Director to determine whether each Director remains qualified for office. In making its determination, the NC will take into account (i) the Director's age, track record, experience, skills and capabilities; (ii) whether each Director is able to and has been adequately carrying out his/ her duties as a Director, including the contributions and performance of each Director; and (iii) whether each Director has committed sufficient time to his/ her duties as a director of DBS. The Board is satisfied that each Director has diligently discharged his or her duties as a Director of DBS and has contributed meaningfully to DBS.

Directors' time commitment

The meeting attendance records of all Directors as well as a list of their directorships of listed companies and their principal commitments are fully disclosed in our Annual Report. The NC assesses each Director's ability to commit time to DBS' affairs in accordance with internal guidelines which take into account the number of other board and committee memberships a Director holds, as well as the size and complexity of the companies in which he/ she is a board member. Additionally, each Director is required to complete an annual self-assessment of his/ her time commitments.

While the Board has not set a maximum number of listed company board representations a Director may hold, all Directors appreciate the high level of commitment required of a Director. All Directors have met the requirements under the NC's guidelines. Based on the recent individual Director self-assessment for FY2022, and attendance of Board and Board Committee meetings during the year, the NC was satisfied that where a Director had other listed company board representations, and/ or other principal commitments, the Director was able and had been adequately carrying out his/ her duties as a director of DBS.

Directors' tenure

The NC members believe that it is in the interests of DBS for the Board to be comprised of some Directors with long tenure who have a deep understanding of the banking industry, as well as Directors with shorter tenures who can bring fresh ideas and perspectives. There are currently three Directors who have served for more than 11 years, and this is balanced by the progressive refreshing of the Board where six long-serving Directors have stepped down and seven new Directors have been appointed since November 2017 (when we commenced the refreshing process). In addition, one of the long-serving Director (being Mr Ho Tian Yee) will step down after the conclusion of the 2023 AGM.

The NC specifically considered the skillsets and contributions of two long-serving Directors who will be remaining on the Board (being Mr Peter Seah and Mr Piyush Gupta). The NC deliberated and agreed that it is in DBS' interests for these Directors to continue serving on the Board of DBS for the following reasons:

- i) it is important that Mr Peter Seah remains as the Board Chairman to provide leadership and continuity. Mr Seah is a veteran former banker with wide industry experience, and he has been instrumental in the growth and transformation of DBS

over the past 13 years. From a strategic perspective, the next few years continue to be critical as DBS continues to execute on its digital transformation, growth and sustainability strategies (especially with the prevailing macro-economic and geo-political headwinds and enhance its franchise in the Greater Bay Area, China, Taiwan, India and Indonesia; and

- ii) as CEO, Mr Piyush Gupta should remain as a Director to provide the Board with insights into the business.

Re-election of Directors

Under the Constitution of DBSH, one-third of Directors who are longest-serving since their last re-election are required to retire from office and, if eligible, stand for re-election at each AGM. Based on this rotation process, each Director is required to submit himself or herself for re-election by shareholders at least once every three years. In addition, new Directors (who are appointed in between AGMs) are required under DBSH's Constitution to stand for re-election at the first AGM after their appointment. The NC reviews and recommends to the Board the rotation and re-election of Directors at the AGM.

Prior to each AGM, Group Secretariat informs the NC which Directors are required to retire at that AGM. The NC will then review the composition of the Board and decide whether to recommend to the Board the re-election of these Directors, after taking into account factors such as their attendance, participation, contribution, expertise and competing time commitments.

At the 2023 AGM, Mr Peter Seah, Mr Ho Tian Yee, Ms Punita Lal and Mr Anthony Lim will be retiring by rotation. At the recommendation of the NC and as approved by the Board, Mr Peter Seah, Ms Punita Lal and Mr Anthony Lim will be standing for re-election at the 2023 AGM, while Mr Ho Tian Yee (who has served on the Board for more than 11 years) will be retiring at the conclusion of the 2023 AGM.

Review of composition of Board Committees

The NC regularly reviewed the size and composition of the Board committees in 2022 to ensure that all independence requirements continue to be met, and that the Board committees are of an appropriate size and comprise the appropriate balance of skills, knowledge and experience, as well as diversity of nationality, age and gender.

Continuous development programme for all Directors

The NC monitors the frequency and quality of the Board training sessions, which are conducted either by external professionals or by management. The NC selects topics which are relevant to the Group's activities. Board members also contribute by highlighting areas of interests and possible topics.

The topics presented to the Board in 2022 as part of the continuous development programme included: (i) training sessions on DBS' country risk management and fundamental review of the trading book, (ii) insights from external experts on (a) climate risk management, as well as (b) managing ransomware and supply chain cyber risks from the regulators' perspective.

Board diversity

We recognise that diversity is not merely limited to gender or any other personal attributes. We adopted a Board Diversity Policy which recognises the importance of having an effective and diverse Board, and states that the NC is responsible for setting the relevant objectives that promote and achieve diversity on the Board. In discharging its duties, the NC shall give due regard to the benefits of all aspects of diversity and strive to ensure that the Board is appropriately balanced to support the long-term success of DBS.

The main objective of the Board Diversity Policy is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of DBS. The Board Diversity Policy provides that the NC shall endeavour to ensure that female candidates are included for consideration when identifying candidates to be appointed as new directors, with the aim of having not less than two female directors on the Board, and will target to achieve 30% female Board representation by 2030. Currently, two out of 10 directors on the Board (20% of the Board) are female.

The NC is responsible for developing a framework to identify the skills that the Board collectively needs in order to discharge the Board's responsibilities effectively, taking into account the complexity of DBS' existing risk profile, business operations and future business strategy. The NC has put in place a skills matrix which classifies skills, experience and knowledge of Directors into the following broad categories (i) Industry knowledge and experience; (ii) Financial and commercial acumen; (iii) Governance; (iv) Leadership; (v) Digital Transformation; and (vi) Sustainability.

The NC believes that there is an appropriate balance of industry knowledge, skills, background, experience, professional qualifications, age and gender on the Board, and is satisfied that the objectives of the Board Diversity Policy continue to be met.

Board Executive Committee (EXCO)

"In 2022, the Board EXCO continued to serve as a sounding board to Management on significant issues, including potential acquisitions and divestments, large transactions and material initiatives, and large credit and country limit reviews in markets that the Group has a presence in."

Peter Seah
Chairman, Board EXCO

Highlights of EXCO's activities in 2022

- The EXCO assists the Board to enhance the business strategies and strengthen core competencies of DBS. The EXCO meets frequently (12 meetings in 2022) and is able to offer greater responsiveness in the decision-making process of DBS.
- In addition to its quarterly review of weak credit cases, matters discussed and/ or endorsed at the EXCO meetings in 2022 included (i) Russia-Ukraine war and energy price impact on DBS' portfolio; (ii) renewal of the credit programmes in Singapore and Hong Kong for SMEs; (iii) annual reviews of country (transfer risk) limits; (iv) the expansion of the Group's wealth management business and product suites with the establishment of several variable capital companies catering to retail customers, private banking and Treasures private clients; (v) the establishment of a software business leveraging on the Group's expertise in technology; (vi) additional investment in our Climate Impact X joint venture with Temasek Holdings, SGX and Stanchart; and (vii) various acquisition and investment/ divestment opportunities.

Audit Committee (AC)

"In 2022, the AC focused on key audit matters highlighted by the external auditors as well as areas where management has applied judgement in the preparation of the Group's financial statements."

It also conducted a thorough review of reports from Group Audit and Legal and Compliance, as part of its assessment of the adequacy and effectiveness of the Group's internal controls, and determined that the Group's internal controls remain adequate and effective."

The AC reviewed forthcoming developments that may impact the Bank, including the Base Erosion and Profit Shifting Project, as well as new business and accounting initiatives. To ensure we continue to maintain high levels of compliance with sustainability reporting standards and industry best practices, the AC will continue to monitor developments in this area as the industry finalises the relevant standards."

Tham Sai Choy
Chairman, AC

Highlights of AC's activities in 2022

Oversight of financial reporting and disclosure matters

In response to the risk-based approach to quarterly reporting that was adopted by the Singapore Exchange Regulation (SGX RegCo) from 7 February 2020, the Group transitioned to a semi-annual reporting regime that is complemented by trading updates between the half-yearly financial reports. The trading updates, which comprise the profit and loss account, key balance sheet items, financial ratios and business commentary, are intended to provide investors with continued line of sight on the Group's ongoing performance.

The AC reviewed the Group's trading updates and half-yearly financial statements, and recommended these to the Board for approval. The AC also took into account the assurances provided by the CEO and CFO that the financial statements are properly drawn up in accordance with the provisions of the Singapore Banking Act, Singapore Companies Act and Singapore Financial Reporting Standards (International) (SFRS(I)), and that the Group's financial risk management and internal control systems are adequate and effective.

The AC members were kept updated on changes to accounting standards and significant accounting matters involving the exercise of judgement. During the course of the financial year, the AC reviewed the following areas:

- Asset quality and the adequacy of provisions in light of the ongoing Russia-Ukraine war as well as recession concerns amid high inflation and interest rate environment, giving due consideration to the application of the SFRS(I) ECL requirements as well as guidance provided by international regulators and the MAS;
- Valuation matters, including assessing the adequacy of valuation reserves and the carrying value of goodwill;
- Impact of the Base Erosion and Profit Shifting (BEPS) Project on DBS Group and our engagement with the authorities with respect to BEPS; and
- Accounting issues and developments on integration of Citi's Taiwan consumer banking business.

The AC reviewed the Group's audited consolidated financial statements for FY2022 and discussed with management and the external auditor the significant matters which involved management judgement.

Please refer to the table on page 54 for further information on these significant matters. These matters are also discussed in the independent auditor's report on pages 116 to 121.

The AC is of the view that the Group's consolidated financial statements for FY2022 are fairly presented in conformity with the relevant SFRS(I) in all material aspects. The Board has been notified that the Group's external auditor, PricewaterhouseCoopers LLP (PwC), has read and considered the other information (i.e. other than the financial statements and auditor's report thereon) in the annual report, whether financial or non-financial, in accordance with the Singapore Standard on Auditing 720. For the financial year ended 31 December 2022: (i) no material inconsistencies between the other information, the financial statements and PwC's knowledge obtained in the audit; and (ii) no material misstatements of the other information, have been reported.

AC commentary on key audit matters

Significant matters	How the AC reviewed these matters
Specific allowances for loans and advances	The AC reviewed the significant non-performing credit exposures periodically and considered management's judgments, assumptions and methodologies used in the determination of the level of specific allowances required. The AC noted that major weak credits are reviewed by the Board Executive Committee quarterly and presented to the AC. The AC was apprised of the external auditor's work over credit, which included sampling across performing, watch-list and non-performing portfolios to assess the appropriateness of the loan ratings and classification, as well as the adequacy of specific allowances where applicable. Additionally, the AC considered the results from Group Audit's independent assessment of the Group's credit portfolios across key markets and credit risk management process. The AC is of the view that the specific allowances that have been set aside for non-performing credit exposures are appropriate.
General allowances for credit losses	The AC reviewed the governance arrangements, including the matters considered by the Expected Credit Loss (ECL) Review Committee, as well as the key drivers of the quarterly movements in Stage 1 and Stage 2 ECL (General Allowances). These included the changes in portfolio asset quality, prevailing economic and geopolitical conditions, as well as modelled overlays to reflect management's assessment of these factors. The AC noted that ECL models are validated by the Model Validation Team, which also monitors the models' performance, and approved by the Group Credit Risk Models Committee. The AC took into account the external auditor's observations, which included a review of selected portfolios by credit specialists, along with assessments of the Group's methodologies (including the reasonableness of certain forward-looking economic inputs), processes and controls. The AC, on the back of these reviews, considers the General Allowances to be within a reasonable range.
Goodwill	The AC reviewed the methodology and key assumptions driving the cash flow projections that are used in the determination of the value-in-use of the DBS Bank (Hong Kong) Ltd's franchise, including the macroeconomic outlook. It assesses the sensitivities of the value-in-use to reasonably possible changes in the valuation parameters. The AC was apprised of the external auditor's observations from its review of management's goodwill impairment assessment, and concurs that there is no impairment as at 31 December 2022.
Valuation matters	The AC reviewed the governance arrangements, including the deliberations of the Group Valuation Committee, as well as the fair value hierarchy of financial instruments held at fair value, the quarterly movements in valuation reserves, the appropriateness of the Group's valuation methodology in light of industry developments, and the overall adequacy of valuation reserves. The AC was apprised of the external auditor's observations from its assessment of the Group's controls over the valuation process, as well as its conclusion, based on the result of its independent estimates, that the valuation of financial instruments held at fair value was within a reasonable range of outcomes. The AC considers the valuation process, policies and estimates as adopted and disclosed in the financial statements to be appropriate.

Oversight of Group Audit

The AC has direct oversight of Group Audit. The AC receives reports from Group Audit at each quarterly AC meeting, which provide the AC with an update on (i) the overall control environment (based on the results of the audit reviews in the preceding quarter); (ii) the key findings from audit reviews and the remediation actions which have been, or will be, taken to address these findings; (iii) an overview of the audit issues (including re-aged and past due issues) and audit reports issued during the preceding quarter; and (iv) any changes to the audit plan for AC approval.

Please refer to page 59 for details on Group Audit's key responsibilities and processes.

In addition to the findings from the routine audits conducted by Group Audit in 2022, the AC was also apprised of the findings from other reviews initiated by Group Audit. These reviews covered new businesses such as the Digital Asset Ecosystem and the variable capital companies established to support and expand DBS' wealth management initiatives

and product suites. The AC was also updated on the audits that focused on the Bank's IT cybersecurity and resiliency that includes the results of the cyber red team simulation conducted to assess DBS' cyber security posture across all locations which covered external attack scenarios, insider threats and IT systems hosted in the cloud.

The AC assessed the adequacy, effectiveness and independence of Group Audit, and is of the view that Group Audit is independent, effective and adequately resourced. Group Audit understands the risks that the Group faces and has aligned its work to review these risks.

There is at least one scheduled private session annually for the Head of Group Audit to meet the AC. The Chair of the AC meets the Head of Group Audit regularly to discuss the audit plans, current work, key findings and other significant matters of Group Audit regularly to discuss the audit plans, current work, key findings and other significant matters.

Reviewing performance, objectivity and independence of the external auditor

The AC has unfettered access to the external auditor. Separate sessions were held during each of the four quarterly AC meetings in 2022 for the AC to meet with the external auditor without the presence of management to discuss matters that might have to be raised privately. The planned transition of the PwC partner in charge of the audit from Antony Eldridge to Yura Mahindroo was smooth.

The AC monitors the performance, objectivity and independence of the external auditor. For this purpose, the AC takes into account the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority (ACRA); the guidance provided in Practice Guidance 10 of the 2018 Code, as well as the principles outlined by the Basel Committee on Banking Supervision in its document "The External Audits of Banks".

The total fees due to PwC for the financial year ended 31 December 2022 and the breakdown of the fees for audit and non-audit services, are set out in the table below. The AC reviewed the non-audit services provided by the external auditor during the financial year and the associated fees. The AC is satisfied that the independence and objectivity of the external auditor have not been impaired by the provision of those services.

Fees relating to PwC services for FY2022	SGD (million)
For audit and audit-related services	10.3
For non-audit services	1.1
Total	11.4

The AC considered the following matters in its review of the external auditor's performance and when formulating its recommendation on the re-appointment of the external auditor:

- the performance of the external auditor against industry and regulatory standards;
- the scope of the audit plan and areas of audit focus as agreed with the external auditor;
- the quality of audit services rendered, and reports and findings presented, by the external auditor during the year;
- feedback received from various functions/ geographical locations, through an annual structured internal survey, on the adequacy and quality of the audit team's resources, the level of independence and scepticism exercised in carrying out its work, and its overall efficiency and effectiveness;
- the Audit Quality Indicators data of the external auditor; and
- the external auditor's self-assessment, including the confirmation of its independence, to the AC.

Based on these considerations, the AC has recommended, and the Board has endorsed, the re-appointment of PwC for shareholders' approval at the 2023 AGM. The Group has complied with Rule 712 and Rule 715 of the SGX Listing Manual in relation to its external auditor.

Board Risk Management Committee (BRMC)

"In 2022, the BRMC continued to oversee DBS' risk governance approach and monitor all key risk areas. In addition to our ongoing risk management efforts, the BRMC also considered the impact of the rapidly changing macro environment on our portfolio.

During the year, we reviewed many areas, including cybersecurity, scams, integration risk of our acquisitions, financial crimes efforts, as well as initiatives to improve our technology resiliency.

Setting the tone from the top to embed a strong risk culture is critical to DBS' success and remains a focus for the BRMC."

Olivier Lim
Chairman, BRMC

Highlights of BRMC's activities in 2022

The BRMC's approach continued to be underpinned by a philosophy that risk management in complex and large organisations is best served by holistically integrating governance, culture, talent, structure and processes.

The BRMC convened at least quarterly to review the bank's risk profile, risk dashboards and other reports through a structured and consistent agenda format. The BRMC monitored global political and economic events, the impact of interest rate hikes, and other factors that might have material consequences for our business.

In 2022, the BRMC discussed the findings and the impact arising from scenario analyses and portfolio reviews conducted on certain countries and specific sectors, including:

- Inflationary pressures prompting significant rate hikes by central banks resulting in slower economic growth/ recession
- Russia-Ukraine conflict and the impact on supply chain, commodity/ energy prices and key exports from the two countries
- Defaults of major Chinese real estate developers triggering a property sector downturn in China and other contagion effect

The scenario analyses are in addition to the reviews of various regulatory and internal stress testing exercises.

The BRMC also reviewed management's assessment of the impact arising from the following events:

- Elevated US-China-Taiwan tensions, in particular, areas such as capital market restrictions, export bans and trade tariffs
- Slowdown in China's economy, including weak domestic consumption and RMB depreciation
- Strong USD against the developing/emerging markets currencies (e.g., INR and IDR).

The BRMC was updated on the liquidity risk profile and discussed the impact of customer funds switching out from current/savings accounts to fixed deposits. It was kept informed of the utilisation of market risk (for both banking and trading books) and liquidity risk (in all major currencies and legal entities) limits, as well as the key operational risk profiles of the Group.

The BRMC endorsed the incorporation of environmental risk in the Group's risk appetite statement, with a focus on managing exposures with material climate transition and physical risks. The BRMC was updated on the risk and controls of new businesses (e.g., Digital Asset Ecosystem) as well as the integration progress of LVB and Citi's Taiwan consumer banking business. It was also regularly updated on the initiatives to improve our technology resiliency in the course of 2022.

The BRMC was advised on the key operational risk profiles of the Group and the continued focus on global trends on financial crime (such as anti-money laundering, countering the financing of terrorism, and digital scams), fair dealing and conduct risks as well as the cyber security environment. In view of the worsening geopolitical tensions, the BRMC was updated on the increased efforts taken to address the risks arising from sanctions evasion and cyber security.

The BRMC reviewed and approved the risk models governance framework, which covers the development, approval and ongoing performance monitoring. The BRMC received regular updates on risk appetite and economic capital utilisation, and was apprised of regulatory feedback and developments (such as approaches for risk models and capital computation) and Basel requirements. In addition, the BRMC was updated on the action plans following the internal group-wide risk and control culture survey conducted in 2021.

Please refer to the section on 'Risk Management' in this Annual Report for more information on the BRMC's activities.

Compensation and Management Development Committee (CMDC)

"In 2022, the CMDC continued to focus on reviewing the strength of human capital in DBS that is required to drive our business outcomes. This included a rigorous assessment of our succession plans for senior leadership roles and an evaluation of how our High Potentials (HIPOs) have been identified, developed, compensated and progressed in their career with the Bank. 21.0% of our HIPOs took on a new role while 36.4% have an enlarged role.

Given DBS' heavy investment in the development of our people, the CMDC ensured that robust plans have been put in place to drive leadership development at all levels, and also continuous upskilling and reskilling of our people so that they remain future-ready. In 2022, 99.6% of our employees have undergone training, with 8,339 employees in the process of going through upskilling and reskilling.

The CMDC also ensured that the Group's remuneration remained competitive with the right compensation benchmarks being considered, in the context of the Bank's performance, productivity and market conditions."

Anthony Lim
Chairman, CMDC

Highlights of CMDC's activities in 2022

Group remuneration policy and annual variable pay pool

Please refer to the Remuneration Report on pages 63 to 67 for details on the remuneration of the CEO and DBS' remuneration strategy.

The CMDC reviews and approves DBS' remuneration policy and the annual variable pay pool, which are also endorsed by the Board. The CMDC provides oversight of the remuneration principles of the CEO, senior executives and control functions to ensure that they are in line with the Financial Stability Board's guidelines. As part of the review of the annual variable pay pool as well as the remuneration of the CEO and senior executives, the CMDC appraises how well DBS has performed against the balanced scorecard for each year.

During the year, the CMDC reviews market trends to ensure that the Group's remuneration remains competitive in the context of our performance and productivity.

The following changes were also reviewed for implementation effective for grants from 2023:

(i) increase deferral rates to at least 40% for Material Risk Personnel to be in line with the Additional Guidelines on Code of Corporate Governance, (ii) vest deferred awards for bonus eligible employees equally over 4 years in line with market practice, and (iii) change vesting of Special Award from 4 years to 3 years to enhance talent retention.

DBS also has a robust disciplinary framework linked to individual compensation. The CMDC was apprised of the impact of disciplinary actions on individuals' compensation when approving the annual variable compensation pool and noted that (i) the Group's risk management and internal control systems are adequate and effective, and (ii) the 2022 Risk & Culture score from the Kincentric My Voice survey increased to 92%. DBS' score is better than the APAC Financial Services Industry and APAC Best Employer benchmarks by 8% and 1% respectively.

Talent Review and Succession Planning

The CMDC reviews the state of talent and the strength of the human capital in DBS in support of its business. This includes a review of the business strategy of the business, the target operating model, and talent bench strength required to drive our business outcomes.

The CMDC also reviews the succession plans for CEO and GMC members. Succession

Planning is a rigorous process in DBS which includes inputs from the respective Country and Group Functional Heads, followed by detailed reviews with the CEO. The CMDC evaluates the succession plans of CEO and the GMC members based on DBS' proprietary "Key Success Factors" framework, which comprises four dimensions of a DBS senior leader success profile: (i) domain knowledge, (ii) critical experiences, (iii) leadership competencies and (iv) leadership traits. Potential successors for GMC are evaluated against these four dimensions to assess their readiness, and development plans to address their leadership gaps are put in place to prepare them for succession.

In reviewing our talent bench strength, the CMDC evaluates how our High Potentials (HIPOs) have been identified, developed, compensated and progressed in their career with the Bank. We follow a robust HIPO identification process based on the "3P framework", namely Performance, PRIDE! and Potential. The assessment of potential is based on one's ability, aspiration and engagement. Identified HIPOs are developed through a comprehensive "Triple-E Development Framework" which focuses on actionable development activities around education (conferences and leadership programs), exposure (mentoring, coaching and networking) and experience (new or stretched

Non-executive directors' fee structure for FY2022 (unchanged from FY2021)

Basic annual retainer fees	SGD
Board	100,000
Lead Independent Director	75,000
Additional Chairman fees for:	
Board	1,450,000
Audit Committee	90,000
Board Risk Management Committee	90,000
Board Sustainability Committee	65,000
Compensation and Management Development Committee	65,000
Executive Committee	75,000
Nominating Committee	45,000
Additional committee member fees for: <i>(Note: Board committee chairpersons do not get these fees)</i>	
Audit Committee	60,000
Board Risk Management Committee	60,000
Board Sustainability Committee	42,000
Compensation and Management Development Committee	35,000
Executive Committee	60,000
Nominating Committee	30,000

roles, cross country and cross function assignments), all designed to accelerate their growth and groom them for potential succession to key leadership roles in the future. This disciplined process ensures that the Bank builds a robust succession pipeline deeper down the organisation for resilience.

Learning and Leadership

DBS places heavy investment in the development of our people as guided by our Triple-E Development Framework. Areas of learning focus are determined by reviewing market trends and relevant skills needed to drive our business. Campaigns are launched to promote a strong learning culture, and the introduction of bite-sized e-learning modules promotes accessibility to learning for our employees. We have seen an increase in learning consumption during the pandemic years. In 2022, we launched an AI-powered personalised career companion (iGrow) to help every DBS employee identify future career aspirations, skills required to reach these goals and provide relevant learning and role exposure opportunities.

The CMDC is kept apprised on our year-on-year learning metrics including average learning places per employee, average learning hours per employee and training expenses as a percentage of budget. It also reviews how we ensure our employees receive learning in relevant skills for the business.

In 2022, 35,943 active employees (99.6% of total headcount) have undergone training and the average learning places per employee was 40.5. We also identified 8,339 employees for upskilling and reskilling, of which 87.3% have completed or are in-progress with their learning roadmaps.

Our DBS Transformational Leadership Plan continues to gain traction. Through our internally-designed and facilitated leadership workshops such as our T-Sprints and T-Circles, and also our signature leadership development programmes such as Building Great Managers and Making Great Decisions, we work to embed our DBS Transformational Leadership attributes into our leaders and our leadership teams. Our average Manager Effectiveness score has improved to 91%.

Recruitment

The CMDC reviews the recruitment trends, such as the year-on-year hiring numbers, job families or roles which the Bank hires for.

In 2022, we experienced a surge in hiring, mainly into technology and revenue generating roles.

In 2023, we expect the hiring pace to slow down in line with the macro environment.

The CMDC also reviews the efficacy of our recruitment strategy including how sourcing is done through various channels such as campus recruitment, career sites, social media, internal mobility, staff referrals etc, and how candidates are assessed and selected using a combination of tools including AI, assessments tests and interviews.

It is kept apprised of the data-driven approach in which the recruitment team uses to drive and track business outcomes such as productivity of recruiters, speed to hire, quality of hires, hiring managers' and candidates' satisfaction level etc.

Remuneration of Non-Executive Directors

Please refer to pages 43 to 44 for details of remuneration of each Non-Executive Director (including the Chairman) for FY2022.

The CMDC reviews and recommends a framework to the Board for determining the remuneration of all non-executive Directors. The remuneration of non-executive Directors, including the Chairman, has been benchmarked against global and local financial institutions. Unless otherwise determined by the Board, non-executive Directors receive 70% of their fees in cash and the remaining 30% in share awards.

The share awards are not subject to a vesting period, but are subject to a selling moratorium whereby each non-executive Director is required to hold the equivalent of one year's basic retainer fees for his or her tenure as a Director and for one year after the date he or she steps down. The fair value of share grants to the non-executive Directors are based on the volume-weighted average price of the ordinary shares of DBSH over the 10 trading days immediately prior to (and excluding) the date of the AGM. The actual number of ordinary shares to be awarded are rounded down to the nearest share, and any residual balance is paid in cash. Other than these share awards, the non-executive Directors do not receive any other share incentives or securities under the DBSH Share Plan.

The table on page 56 sets out the annual fee structure for the non-executive Directors for FY2022. There is no change to the annual fee structure from FY2021. Non-executive Directors are also paid attendance fees for attending Board and Board committee meetings. Shareholders are entitled to vote on the remuneration of non-executive Directors at the 2023 AGM.

Although the non-executive Directors' fee structure for FY2022 remains unchanged from the previous year, the amount of non-executive Directors' remuneration for FY2022 is approximately 8.2% higher than that for FY2021. The higher remuneration for FY2022 is mainly attributable to the following reasons: (i) Higher attendance fees due to the increased number of physical meetings in 2022 (as opposed to virtual); (ii) the establishment of the BSC; and (iii) an increase in the number of AC members.

In addition, Mr Peter Seah (who is also the Chairman of DBS Bank (Hong Kong) Limited) received director's fees of HKD 1,096,000 for FY2022, and Mr Tham Sai Choy (who sits on the board of DBS Bank (China) Limited) received director's fees of CNY 540,000 in FY2022.

None of the Group's employees was an immediate family member of a Director with remuneration exceeding SGD 100,000 in 2022.

Board Sustainability Committee (BSC)

"In 2022, we established the BSC to build on our sustainability agenda and net-zero commitment. This underscores the growing importance of sustainability as a strategic imperative for us and the additional Board-level oversight it warrants.

The BSC provides additional governance and oversight of material ESG matters in respect of our three sustainability pillars, including climate-related matters and our annual sustainability disclosures.

We also welcomed Dr Ben Caldecott to the BSC in June 2022, where his expertise in sustainable finance is a valuable asset to the BSC and the Group.

The BSC will continue to oversee the complex and extensive work done in driving the transition to net zero, as we further weave ESG into the fabric of our business in 2023."

Piyush Gupta,
Chairman, BSC

Highlights of BSC's activities in 2022

Appointment of Dr Ben Caldecott

The BSC has benefited from the appointment of Dr Caldecott as a non-Director member of the BSC in June 2022. He is an internationally-recognised sustainable finance expert who is the founding Director of the Oxford Sustainable Finance Group at the University of Oxford Smith School of Enterprise and the Environment. At the University of Oxford, he is the inaugural Lombard Odier Associate Professor of Sustainable Finance, the first ever endowed professorship of sustainable finance. In addition, he serves on the Adaptation Committee of the UK Climate Change Committee and is co-head of the Transition Plan Taskforce established by HM Treasury in 2022 to advise on net zero transition plans.

Oversight of sustainability reporting and climate-related disclosure matters

In response to tracking our disclosures following our public commitment to join the Net Zero Banking Alliance, the BSC reviewed and approved the publication of a set of targets for our Scope 3 financed emissions that will guide us on strategically channeling financing away from high-emitting activities towards low-carbon alternatives.

In addition, in order to elevate our commitments and enhance our disclosures on the social agenda, the BSC reviewed and approved the publication of policies relating to human rights and diversity, equity and inclusion, as well as enhanced disclosures related to our approach to human rights due diligence.

Oversight of Group Sustainability Council

The BSC has direct oversight of the Group Sustainability Council, which is chaired by the Chief Sustainability Officer and comprises senior members from key business and support units across DBS. The BSC received reports from the Chief Sustainability Officer, who chairs the Group Sustainability Council, which provided the BSC with an update on all material sustainability efforts such as progress on the operationalisation of our net zero commitments, and enhanced sustainability disclosures, among other matters.

Oversight of other emerging sustainability issues

The BSC also discussed on key developments, such as climate finance and adaptation, addressed at the 27th Conference of the Parties of the United Nations Framework Convention on Climate Change (COP27), and the corresponding risks, opportunities, and impacts to the bank.

Announcement of Decarbonisation Commitments

As part of DBS' commitment to being net zero in its financed emissions by 2050, the BSC was actively involved in reviewing and approving a report setting out sectoral targets for nine sectors, and aligned with science-based decarbonisation glidepaths. This report was announced in September 2022. The BSC will review the targets periodically and any updates on DBS' progress will be provided annually in the Sustainability Report.

Please refer to the Governance chapter in the Sustainability Report 2022 for more details on the sustainability-related governance structure.

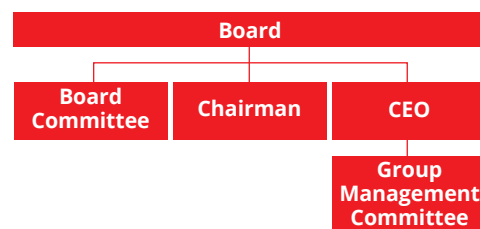
Effective controls

Group Approving Authority

The Group Approving Authority (GAA) is an integral part of our corporate governance framework and was updated in August 2022. The Board's responsibilities are well defined in the GAA. The Board is the decision-making body for matters with significant impact to DBS as a whole; these include matters with strategic, financial or reputational implications or consequences. The specific matters that require board approval under the GAA include:

- Group's annual and interim financial statements;
- investments and divestments exceeding certain material limits;
- Group's annual budget;
- capital expenditures and expenses exceeding certain material limits;
- capital-related matters including capital adequacy objectives, capital structure, capital issuance and redemption;
- dividend policy; and
- risk strategy and risk appetite statement.

Scope of delegation of authority in the GAA



The GAA ensures that appropriate controls and decision-making are consistently applied throughout DBS. Under the GAA, the Board has delegated to the CEO the responsibility to ensure that the Group's businesses and operations are operated in accordance with Board-approved strategies and standards, which include responsibilities for the internal control framework within DBS. On matters where authority has been delegated to him, the CEO may further delegate his responsibilities and authorities to any GMC

member or members and may empower them to, in turn, delegate their responsibilities and authorities to other executives and committees of the Group.

The GAA covers internal authority only and does not override any specific provisions arising from statutory, regulatory, exchange listing requirements, or the DBSH's Constitution. The GAA is regularly reviewed and updated to accommodate changes in the scope and activities of DBS' business and operations. The Board approves the GAA and any change to it.

Internal controls framework

Our internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems. The Board, supported by the AC and BRMC, oversees the Group's system of internal controls and risk management. DBS adopts the Three Lines Model for risk management, where each line has clear roles and responsibilities.

First line

Our business and support units are our first line. Their responsibilities include the identification and management of risks arising from and relating to their respective areas of responsibilities, and ensuring that our operations remain within approved boundaries of our risk appetite and policies. DBS has an established incident notification protocol that sets out processes for the escalation of incidents according to the level of severity. In this way, appropriate levels of management are made aware of such incidents and can take action accordingly. There are also well-defined procedures for the escalation, investigation and follow up of any reported wrong-doing by a DBS employee, customer, vendor or third party.

Second line

Risk Management Group, Group Legal and Compliance and parts of Group Technology & Operations and Group Finance form the second line. They are responsible for the development and maintenance of risk management policies and processes and they provide objective review and challenge on the activities undertaken by business and support units.

Third line

Group Audit forms the third line. It provides an independent assessment and assurance on the reliability, adequacy and effectiveness of our system of internal controls, risk management, governance framework and processes.

Board, CEO and Senior Management	Provides oversight of the three lines model		
	First line	Second line	Third line
Role	Own and manage risks in respective areas of responsibility	Provide independent risk oversight, monitoring and reporting	Provide independent assurance
Unit	Business and support units	Risk Management, Legal and Compliance	Internal Audit

Group Audit

Key responsibilities and processes

Group Audit is independent of the activities it audits. Its objectives, scope of authority and responsibilities are defined in the Audit Charter, which is approved by the AC. Group Audit reports functionally to the Chairperson of the AC and administratively to the CEO. Group Audit's responsibilities include:

- evaluating the reliability, adequacy and effectiveness of the Group's system of internal controls, risk management, governance framework and processes;
- providing an objective and independent assessment of the Group's credit portfolio quality, the execution of approved credit portfolio strategies and control standards relating to credit management processes;
- reviewing whether DBS complies with laws and regulations and adheres to established policies; and
- reviewing whether management is taking appropriate steps to address control deficiencies.

Group Audit adheres to the DBS Code of Conduct and is guided by the Mission Statement in the Audit Charter. It adopted the Code of Ethics and aligned its practices with the International Professional Practices Framework established by the Institute of Internal Auditors (IIA). In addition, it has embedded IIA's 10 Core Principles for the Professional Practice of Internal Auditing into its activities.

Group Audit has unfettered access to the AC, the Board and management, as well as the right to seek information and explanation. Group Audit has an organisational and strategic alignment to the Group. The Head of Group Audit has a seat in the GMC and attends all the business reviews and strategic planning forums. The respective heads of audit in each of the five key locations outside Singapore are part of that location's management team.

Group Audit adopts a risk-based approach in its auditing activities. An annual audit plan is developed using a structured risk and control assessment framework through which the inherent risk and control effectiveness of each auditable entity in the Group are assessed. This risk assessment methodology and

approach are aligned with that of the Group, including the risk taxonomy.

The assessment also covers risks arising from new lines of business, new products and emerging risks from DBS' operating environment. Audit projects are planned based on the results of the assessment, with priority given to auditing higher risk areas and as required by regulators.

Audit reports containing identified issues and corrective action plans are reported to the AC and senior management. Progress of the corrective action plans is monitored, and past due action plans are included in regular reports to the senior management and the AC. In all routine audits, Group Audit evaluates the control environment and management's control awareness which incorporates risk culture as guided by the Financial Stability Board's Guidance on Sound Risk Culture.

Group Audit apprises regulators and external auditors of all relevant audit matters. It works closely with external auditors to coordinate audit efforts.

Quality assurance and key developments

In line with leading practices, Group Audit has a quality assurance and improvement programme (QAIP) that covers its audit activity and conforms to the International Standards for the Professional Practice of Internal Auditing. As part of the QAIP, internal quality assurance reviews (QAR) are conducted quarterly and external QAR are carried out at least once every five years by qualified professionals from an external organisation. From 2019 to 2021, the internal QAR was contracted to an independent assessor, Protiviti.

Based on Protiviti's assessment, Group Audit leads the industry in the use of Agile Auditing approach and digital audit tools. These tools incorporate both rule-based and predictive analytics, enabling continuous risk monitoring. For 2021, in Protiviti's capability maturity model, Group Audit was rated the highest level for Reporting in addition to audit planning, agile auditing, dynamic risk assessment, and data analytics. For independence, objectivity and transparency, Group Audit appointed Ernst & Young in 2022 as the new independent assessor for the internal QAR.

In 2022, Group Audit implemented Audit Xchange, a workbench to institutionalise and digitise its Data Driven Operating Model and Agile practices to improve its audit process. We also enhanced our dynamic risk assessment and continuous monitoring capabilities to improve the speed of risk identification and response. The increased use of analytical tools and data driven approach, coupled with DBS' suite of remote working technologies, has helped Group Audit to be more effective in providing audit assurance.

Dealings in securities

Although the Group has transitioned to a semi-annual reporting regime, the trading updates that are provided for the first and third quarters of each financial year are, for the purpose of the "black-out" policies prescribed under Rule 1207(19) of the SGX Listing Rules, deemed to constitute "financial statements". Accordingly, Directors and employees are prohibited from trading in DBS' securities (i) one month before the release of the full-year financial statements; and (ii) two weeks before the release of its quarterly financial statements for the first, second and third quarters of each financial year.

In addition, business units and subsidiaries engaging in proprietary trading are restricted from trading in DBS' securities during the black-out period. Group Secretariat informs all Directors and employees of each black-out period ahead of time. Directors and employees are prohibited at all times from trading in DBS' securities if they are in possession of material non-public information.

GMC members are only allowed to trade in DBS' securities within specific window periods (15 market days immediately following the expiry of each black-out period) subject to pre-clearance. GMC members are also required to obtain pre-approval from the CEO before any sale of DBS' securities. Similarly, the CEO is required to seek pre-approval from the Chairman before any sale of DBS' securities. As part of our commitment to good governance and the principles of share ownership by senior management, the CEO is expected to build up and hold at least the equivalent of three times his annual base salary as shareholding over time.

DBS has put in place a personal investment policy which prohibits employees with access to price-sensitive information in the course of their duties from trading in securities in which they possess such price-sensitive information. Such employees are also required to seek pre-clearance before making any personal trades in securities, and may only trade through the Group's stockbroking subsidiaries and bank channels for securities listed in Singapore and Hong Kong. The personal investment policy discourages employees from engaging in short-term speculative trading.

Related Party Transactions and Interested Person Transactions

DBS has embedded procedures to comply with regulations governing related party transactions and interested party transactions.

For related party transactions, we are required to comply with regulations prescribed by the MAS which set out the definition, scope and general principles governing such transactions, along with the responsibilities of banks to maintain oversight and control so as to mitigate the risk of abuse arising from conflicts of interest.

We have established a Board-approved framework to give effect to these regulatory requirements. This, along with material related party transactions, is reviewed by the Board regularly.

All new Directors are briefed on relevant provisions that affect them. If necessary, existing credit facilities to related parties are adjusted prior to a Director's appointment, and all credit facilities to related parties are continually monitored.

With respect to interested party transactions, we have established processes to comply with the requirements outlined in Chapter 9 of the SGX-ST Listing Manual. The aggregate contract values of DBS' interested person transactions entered into in 2022 are set out in the table on page 60.

DBS entered into various interested person transactions with Temasek and its associates on arm's length commercial terms and for the purpose of carrying out day-to-day operations (such as leasing of premises, telecommunication/ data services, IT systems and related services, redemption of air miles by DBS/ POSB credit card holders, logistics and security services).

In FY2022, our contracts with Temasek Holdings (Private) Limited Group amounted to an aggregated SGD 79.0 million. This accounted for less than 0.15% of DBS' audited net tangible assets.

Material contracts

Save for the transactions disclosed in the table on page 60 and via SGXNET, there were no material contracts involving the interest of any Director or controlling shareholder of DBS entered into by DBS or any of its subsidiary companies, which are either still subsisting at the end of the financial year, or if not then subsisting, entered into since the end of the previous financial year.

Assessing the effectiveness of internal controls

DBS has a risk management process that requires all units to perform a half-yearly risk and control self-assessment (RCSA) to assess the effectiveness of their internal controls. In addition, all units of the Group are required to submit quarterly attestations on their controls relating to the financial reporting process, and annual attestations on their compliance with the overall internal controls framework. Based on the RCSA and the quarterly and annual

attestations, the CEO and the key management personnel responsible for risk management and internal control systems provide an annual attestation to the AC relating to the adequacy and effectiveness of DBS' risk management and internal control systems.

Group Audit performs regular independent reviews to provide assurance on the adequacy and effectiveness of DBS' internal controls on risk management, control and governance processes. The overall adequacy and effectiveness of DBS' internal controls framework is reviewed by the AC and BRMC.

Rule 720(1) Undertaking

In compliance with Rule 720(1) of the Listing Manual, we have procured undertakings from all of our Directors and executive officers to use their best endeavours to (a) comply with the relevant provisions of the Listing Manual; and (b) procure that DBS complies with the relevant provisions of the Listing Manual.

Name of interested person	Aggregate contract value of all interested person transactions in 2022 (excluding transactions less than SGD 100,000) (SGD million)
Transactions entered into with Temasek Holdings (Private) Limited ("Temasek") Group (including Joint Ventures) and DBS	
Temasek Group	79.0⁽¹⁾
Transactions entered into with associates of Temasek	
Capitaland Investment Limited Group	2.4
Certis CISCO Security Pte Ltd Group	25.0
Mapletree Investments Pte Ltd Group	0.2
SATS Ltd Group	1.4
Singapore Airlines Limited Group (SIA)	194.6⁽²⁾
Singapore Technologies Telemedia Pte Ltd Group	0.2
Singapore Telecommunications Limited Group (Singtel Group)	197.7⁽³⁾
SMRT Corporation Ltd Group	8.5
Starhub Ltd Group	26.7
Surbana Jurong Private Limited Group	4.2
Total	539.9

- This value is the aggregate amount of transactions with Temasek Group (including investments in and certain joint venture entities with shareholders other than the Temasek Group) and DBS. It also includes a 5-year co-brand credit and debit card partnership with an associate of Temasek.*
- This includes a renewal of an existing air miles contract with SIA for a further 3 years.*
- This includes a 2-year commitment with a SingTel subsidiary to establish an offshore technology development centre in Guangzhou Knowledge City.*

Board's commentary on adequacy and effectiveness of internal controls

The Board has received assurance from the CEO and CFO that as at 31 December 2022, the Group's financial records have been properly maintained, and the financial statements give a true and fair view of DBS Group's operations and finances.

The Board has also received assurance from the CEO and the key management personnel responsible for risk management and internal control systems that, as at 31 December 2022, the Group's risk management and internal control systems were adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations. In particular, but without limiting the foregoing, the Board noted that:

- in relation to the two-day digital disruption in November 2021 in Singapore, management has completed the remedial plans arising from an external independent review. Initiatives to strengthen DBS' technology resilience will continue in 2023; and
- the systems integration of LVB was completed in December 2022, and post-implementation reviews are currently in progress.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by management and various Board committees, as well as assurances received from and mitigation and remedial actions undertaken by management, the Board, with the concurrence of the AC is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 December 2022 to address financial, operational, compliance risks and information technology risks which the Group considers relevant and material to its operations.

The Board notes that the internal controls and risk management systems provide reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

Strong culture

Effective safeguards

We believe that effective safeguards against undesired business conduct have to go

beyond a "tick-the-box" mentality. In DBS, other than relying on published codes of conduct, we also advocate the following organisational safeguards to maintain a strong risk and governance culture.

- Tone from the top:** The tone set by the Board and senior management is vital; it is equivalent to the moral compass of the organisation. In addition to having in place comprehensive policies, we conduct a robust self-assessment on the Group's risk culture. Please refer to the risk culture section on this page for more information.
- Aligning strategies and incentives via the balanced scorecard:** Please refer to the section on "Our 2022 priorities" on pages 26 to 31 for more information.
- Respecting the voice of control functions:** We believe that respect for the voice of control functions is a key safeguard. We ensure that control functions are well integrated into our organisational structure so that they can properly discharge their responsibilities.
- Risk ownership:** Please refer to page 58 for details on our three lines of defence.
- Having established escalation protocols:** We designed a notification protocol that makes it mandatory for staff to report significant incidents. This means that the organisation is prepared to receive bad news and take necessary remedial actions without shooting the messengers.
- Encouraging constructive challenges at all levels:** Fundamentally, we inculcate a culture that encourages constructive challenges and debate, where all views are evaluated for decision-making. We also operate a culture where we actively engage the Board for their views early.
- Reinforcing cultural alignment:** Finally, we conscientiously reinforce our cultural norms by rewarding right behaviours and censuring wrong ones.

Risk Culture

Risk Culture is closely intertwined with our corporate values and it encompasses the general awareness, attitudes and behaviour of our employees towards risks. The results of our Risk Culture and Conduct Survey conducted in 2022 indicated a satisfactory risk culture bank-wide.

In 2022, we continued to monitor our risk culture pulse with a risk culture and conduct dashboard, comprising multi-faceted indicators. Creating awareness remained a key focus as we continue to reinforce a strong culture of risk and control across all levels within the organisation. We leveraged digital communication channels to share culture-related content and conducted training with case studies to aid managers in strengthening the "Tone from the Middle" and to enhance

employee risk sensing and judgement. We continue to place emphasis on conduct as part of our compensation evaluation process.

The DBS Code of Conduct (Code of Conduct)

The Code of Conduct sets out the principles and standards of behaviour that are expected of employees of the Group (including part-time and temporary employees) when dealing with customers, business associates, regulators and colleagues. The principles covered in the Code of Conduct include professional integrity, confidentiality, conflicts of interests, fair dealings with customers and whistle-blowing. It also defines the procedures for employees of DBS to report incidents and provides protection for those staff for these disclosures.

All employees of DBS are required to read and acknowledge the Code of Conduct on an annual basis. Members of the public may access the Code of Conduct on DBS' website at the following URL: <https://go.dbs.com/CodeOfConduct>. The Code of Conduct encourages employees of DBS to report their concerns to DBS' dedicated, independent investigation team within Group Compliance which handles whistle-blowing cases according to a well-defined protocol. Alternatively, in case of actual or potential conflict of interest or fear of retribution, employees of DBS may write in confidence to Human Resources, Group Audit, or even the CEO or the Chairman. In addition, employees of DBS have the option of using the DBS Speak Up service.

Whistle-blowing policy

DBS Speak Up is a hotline service run by an independent external party that gives employees of the Group the opportunity to speak up on misconduct and/ or wrong-doing by a DBS employee, customer, vendor or third party.

DBS Speak Up service includes:

- a dedicated hotline number, website, email address, fax number and postal address for reporting of suspected incidents of misconduct and wrongdoing;
- specialist call centre operators with knowledge of individual organisations;
- expert forensic investigators to analyse reports;
- timely reporting of incidents to dedicated representatives within an organisation; and
- recommendations on corrective action.

Accountability to our shareholders

Shareholder rights

DBS promotes fair and equitable treatment of all shareholders. All shareholders enjoy specific rights under the Singapore Companies

Act and DBSH's Constitution. These rights include, among others, the right to participate in profit distributions and the right to attend and vote at general meetings. Ordinary shareholders are entitled to attend and vote at general meetings in person or by proxy. Indirect investors who hold DBSH shares through a nominee company or custodian bank or through a CPF agent bank ("Relevant Intermediaries") may attend and vote at general meetings by requesting their Relevant Intermediaries to appoint them as proxies.

DBS respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure. All price-sensitive information is publicly released prior to any sessions with individual investors or analysts.

The Board provides shareholders with regular financial reports, which aim to give shareholders a balanced assessment of the Group's financial performance and position. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

Engagement with shareholders

Our investor relations activities promote regular, effective and fair communication with shareholders. Separate briefing sessions were conducted for the media and analysts when quarterly results were released. All press statements and quarterly financial statements have been published on our website and the SGX website. A dedicated investor relations team supports the CEO and the CFO in maintaining a close and active dialogue with investors. The DBS website provides contact details for investors to submit their feedback and raise any questions.

During the year, we held over 450 meetings with equity investors and over 100 meetings with debt investors. We participated in 27 investor conferences and road shows. These engagements were conducted through in-person or virtual meetings. These meetings

provide a forum for management to explain DBS' strategy and financial performance, and solicit analysts' and investors' perceptions of DBS.

In addition, to ensure Directors are kept updated on analysts' views on DBS Group's performance, the Board is updated annually on, *inter alia*, the following, a summary of analysts' views, feedback and recommendations, share price performance and total shareholders' return.

We have a disclosure policy to ensure that all disclosures of material information are timely, complete and accurate. The policy sets out how material information should be managed to prevent selective disclosure. Our Group Disclosure Committee (GDC) assists the CEO and the CFO in implementing the disclosure policy. The GDC's objectives are to: (a) periodically review DBS' disclosure policy and update it as needed, (b) ensure that all material disclosures are appropriate, complete and accurate, and (c) ensure selective or inadvertent disclosure of material information is avoided.

Conduct of shareholder meetings

DBS encourages and values shareholder participation at its general meetings and was one of the first large market capitalisation companies to incorporate live voting and live question & answer functions at its fully virtual AGM in March 2022.

The Chairman plays a pivotal role in fostering constructive dialogue between shareholders, Board members and management at general meetings. Resolutions requiring shareholders' approval are tabled separately for adoption at general meetings unless they are closely related and are more appropriately tabled together.

DBS puts all resolutions at general meetings to a vote by electronic poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentages. DBS appoints an

independent external party as scrutineer for the electronic poll voting process. Prior to the commencement of a general meeting, the scrutineer would review the proxies and the electronic poll voting system as part of the proxy verification process. At the general meeting, handsets are provided for poll voting and the results of the electronic poll voting are announced immediately after each resolution has been put to a vote. DBS maintains an audit trail of all votes cast at the general meeting. The outcome of the general meeting (including detailed results of the poll vote for each resolution) is promptly disclosed on SGXNET within the same day after the conclusion of that meeting.

Annual General Meetings (AGMs) provide shareholders with the opportunity to share their views and to interact with the Board, including the chairpersons of the Board committees and certain members of senior management. Our external auditor is available to answer shareholders' queries. At each AGM, DBS' financial performance for the preceding year is presented to shareholders.

The Company Secretary prepares minutes of general meetings, which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and management. These minutes may be assessed via our website.

Conduct of 2023 AGM

With the improving COVID-19 situation in Singapore, we will be holding a wholly physical AGM in 2023.

Where to find key information on each Director?

In this Annual Report:

- Pages 43 to 44 – Directors' independence status, appointment dates, meeting attendance and remuneration details
- Pages 190 to 194 – Directors' length of directorship, academic and professional qualifications and present and past directorships
- Pages 214 to 217 – Additional Information on Directors seeking re-election at the Annual General Meeting to be held on 31 March 2023

At our website (www.dbs.com): Directors' biodata