DBS Group Holdings Ltd and its Subsidiaries

Consolidated income statement

for the year ended 31 December 2022

In $ millions	Note	2022	2021
Interest income		**15,927**	10,185
Interest expense		**4,986**	1,745
Net interest income	4	**10,941**	8,440
Net fee and commission income	5	**3,091**	3,524
Net trading income	6	**2,313**	1,791
Net income from investment securities	7	**115**	387
Other income	8	**42**	46
Non-interest income		**5,561**	5,748
Total income		**16,502**	14,188
Employee benefits	9	**4,376**	3,875
Other expenses	10	**2,714**	2,694
Total expenses		**7,090**	6,569
Profit before allowances		**9,412**	7,619
Allowances for credit and other losses	11	**237**	52
Profit after allowances		**9,175**	7,567
Share of profits or losses of associates and joint ventures	12	**207**	213
Profit before tax		**9,382**	7,780
Income tax expense	13	**1,188**	973
Net profit		**8,194**	6,807
Attributable to:			
Shareholders		**8,193**	6,805
Non-controlling interests		**1**	2
		8,194	6,807
Basic and diluted earnings per ordinary share ($)	14	**3.15**	2.61

(see notes on pages 128 to 182 as well as the Risk Management section on pages 82 to 98 which form part of these financial statements)

DBS Group Holdings Ltd and its Subsidiaries

Consolidated statement of comprehensive income

for the year ended 31 December 2022

In $ millions	2022	2021
Net profit	**8,194**	6,807
Other comprehensive income:		
Items that may be reclassified subsequently to income statement:		
Translation differences for foreign operations	**(954)**	361
Other comprehensive income of associates	**8**	12
(Losses)/ gains on debt instruments classified at fair value through other comprehensive income		
Net valuation taken to equity	**(1,860)**	(313)
Transferred to income statement	**117**	(163)
Taxation relating to components of other comprehensive income	**125**	23
Cash flow hedge movements		
Net valuation taken to equity	**(2,355)**	(444)
Transferred to income statement	**(140)**	(227)
Taxation relating to components of other comprehensive income	**193**	65
Items that will not be reclassified to income statement:		
(Losses)/ gains on equity instruments classified at fair value through other comprehensive income (net of tax)	**(417)**	122
Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	**115**	(32)
Defined benefit plans remeasurements (net of tax)	**(1)**	(11)
Other comprehensive income, net of tax	**(5,169)**	(607)
Total comprehensive income	**3,025**	6,200
Attributable to:		
Shareholders	**3,039**	6,194
Non-controlling interests	**(14)**	6
	3,025	6,200

(see notes on pages 128 to 182 as well as the Risk Management section on pages 82 to 98 which form part of these financial statements)

DBS Group Holdings Ltd and its Subsidiaries

Balance sheets

as at 31 December 2022

In $ millions	Note	The Group 2022	The Group 2021	The Company 2022	The Company 2021
Assets					
Cash and balances with central banks	16	**54,170**	56,377	**–**	–
Government securities and treasury bills	17	**64,995**	53,262	**–**	–
Due from banks		**60,131**	51,377	**69**	85
Derivatives	37	**44,935**	19,681	**25**	98
Bank and corporate securities	18	**75,457**	69,692	**–**	–
Loans and advances to customers	19	**414,519**	408,993	**–**	–
Other assets	21	**18,303**	15,895	**16**	1
Associates and joint ventures	24	**2,280**	2,172	**–**	–
Subsidiaries	23	**–**	–	**29,540**	31,344
Properties and other fixed assets	27	**3,238**	3,262	**–**	–
Goodwill and intangibles	28	**5,340**	5,362	**–**	–
Total assets		**743,368**	686,073	**29,650**	31,528
Liabilities					
Due to banks		**39,684**	30,209	**–**	–
Deposits and balances from customers	29	**527,000**	501,959	**–**	–
Derivatives	37	**45,265**	20,318	**129**	29
Other liabilities	30	**22,747**	18,667	**64**	75
Due to subsidiaries		**–**	–	**1,120**	719
Other debt securities	31	**47,188**	52,570	**3,472**	5,670
Subordinated term debts	32	**4,412**	4,636	**4,412**	4,636
Total liabilities		**686,296**	628,359	**9,197**	11,129
Net assets		**57,072**	57,714	**20,453**	20,399
Equity					
Share capital	33	**11,495**	11,383	**11,535**	11,425
Other equity instruments	34	**2,392**	2,392	**2,392**	2,392
Other reserves	35	**(1,347)**	3,810	**37**	131
Revenue reserves	35	**44,347**	39,941	**6,489**	6,451
Shareholders' funds		**56,887**	57,526	**20,453**	20,399
Non-controlling interests		**185**	188	**–**	–
Total equity		**57,072**	57,714	**20,453**	20,399

(see notes on pages 128 to 182 as well as the Risk Management section on pages 82 to 98 which form part of these financial statements)

DBS Group Holdings Ltd and its Subsidiaries

Consolidated statement of changes in equity

for the year ended 31 December 2022

In $ millions	Share capital (Attributable to shareholders of the Company)	Other equity instruments	Other reserves	Revenue reserves	Shareholders' funds	Non-controlling interests	Total equity
2022							
Balance at 1 January	**11,383**	**2,392**	**3,810**	**39,941**	**57,526**	**188**	**57,714**
Purchase of treasury shares	**(11)**	**–**	**–**	**–**	**(11)**	**–**	**(11)**
Draw-down of reserves upon vesting of performance shares	**123**	**–**	**(124)**	**–**	**(1)**	**–**	**(1)**
Cost of share-based payments	**–**	**–**	**134**	**–**	**134**	**–**	**134**
Dividends paid to shareholders[(a)]	**–**	**–**	**–**	**(3,789)**	**(3,789)**	**–**	**(3,789)**
Other movements	**–**	**–**	**(36)**	**25**	**(11)**	**11**	**–**
Net profit	**–**	**–**	**–**	**8,193**	**8,193**	**1**	**8,194**
Other comprehensive income	**–**	**–**	**(5,131)**	**(23)**	**(5,154)**	**(15)**	**(5,169)**
Balance at 31 December	**11,495**	**2,392**	**(1,347)**	**44,347**	**56,887**	**185**	**57,072**
2021							
Balance at 1 January	10,942	3,401	4,397	35,886	54,626	17	54,643
Purchase of treasury shares	(16)	–	–	–	(16)	–	(16)
Draw-down of reserves upon vesting of performance shares	115	–	(117)	–	(2)	–	(2)
Redemption of perpetual capital securities	–	(1,009)	–	1	(1,008)	–	(1,008)
Cost of share-based payments	–	–	134	–	134	–	134
Issue of shares pursuant to Scrip Dividend Scheme	342	–	–	(342)	–	–	–
Dividends paid to shareholders[(a)]	–	–	–	(2,392)	(2,392)	–	(2,392)
Capital contribution from non-controlling interests	–	–	3	–	3	152	155
Other movements	–	–	–	(13)	(13)	13	–
Net profit	–	–	–	6,805	6,805	2	6,807
Other comprehensive income	–	–	(607)	(4)	(611)	4	(607)
Balance at 31 December	11,383	2,392	3,810	39,941	57,526	188	57,714

(a) Includes distributions paid on capital securities classified as equity (2022: $85 million; 2021: $121 million)

(see notes on pages 128 to 182 as well as the Risk Management section on pages 82 to 98 which form part of these financial statements)

DBS Group Holdings Ltd and its Subsidiaries

Consolidated cash flow statement

for the year ended 31 December 2022

In $ millions	2022	2021
Cash flows from operating activities		
Profit before tax	**9,382**	7,780
Adjustments for non-cash and other items:		
Allowances for credit and other losses	**237**	52
Depreciation of properties and other fixed assets	**701**	669
Share of profits or losses of associates and joint ventures	**(207)**	(213)
Net gain on disposal, net of write-off of properties and other fixed assets	**50**	13
Net income from investment securities	**(115)**	(387)
Cost of share-based payments	**134**	134
Interest expense on subordinated term debts	**93**	76
Interest expense on lease liabilities	**21**	30
Profit before changes in operating assets and liabilities	**10,296**	8,154
Increase/ (Decrease) in:		
Due to banks	**10,845**	598
Deposits and balances from customers	**31,010**	33,162
Derivatives and other liabilities	**28,616**	(16,913)
Other debt securities and borrowings	**(4,727)**	9,149
(Increase)/ Decrease in:		
Restricted balances with central banks	**(705)**	(1,189)
Government securities and treasury bills	**(13,801)**	(1,168)
Due from banks	**(9,328)**	232
Bank and corporate securities	**(7,878)**	(3,277)
Loans and advances to customers	**(12,410)**	(35,518)
Derivatives and other assets	**(28,108)**	15,199
Tax paid	**(1,041)**	(698)
Net cash generated from operating activities (1)	**2,769**	7,731
Cash flows from investing activities		
Dividends from associates	**86**	42
Capital distribution from an associate	**–**	10
Acquisition of interests in associates and joint ventures	**(114)**	(1,108)
Proceeds from disposal of properties and other fixed assets	**3**	22
Purchase of properties and other fixed assets	**(669)**	(567)
Net cash used in investing activities (2)	**(694)**	(1,601)

DBS Group Holdings Ltd and its Subsidiaries

Consolidated cash flow statement

for the year ended 31 December 2022

In $ millions	2022	2021
Cash flows from financing activities		
Redemption of perpetual capital securities	**–**	(1,008)
Issue of subordinated term debts	**–**	1,000
Redemption of subordinated term debts	**–**	(257)
Interest paid on subordinated term debts	**(86)**	(64)
Purchase of treasury shares	**(11)**	(16)
Dividends paid to shareholders of the Company, net of scrip dividends[(a)]	**(3,789)**	(2,392)
Capital contribution by non-controlling interests	**–**	155
Net cash used in financing activities (3)	**(3,886)**	(2,582)
Exchange translation adjustments (4)	**(903)**	940
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	**(2,714)**	4,488
Cash and cash equivalents at 1 January	**46,690**	42,202
Cash and cash equivalents at 31 December (Note 16)	**43,976**	46,690

(a) Includes distributions paid on capital securities classified as equity

(see notes on pages 128 to 182 as well as the Risk Management section on pages 82 to 98 which form part of these financial statements)

DBS Group Holdings Ltd and its Subsidiaries

Notes to the financial statements

for the year ended 31 December 2022

These Notes are integral to the financial statements.

The consolidated financial statements for the year ended 31 December 2022 were authorised for issue by the Directors on 10 February 2023.

1. Domicile and Activities

The Company, DBS Group Holdings Ltd, is incorporated and domiciled in the Republic of Singapore and has its registered office at 12 Marina Boulevard, Marina Bay Financial Centre Tower Three, Singapore 018982.

The Company is listed on the Singapore Exchange.

The Company is an investment holding, treasury and funding vehicle for the group. Its main subsidiary is DBS Bank Ltd. (the Bank), which is wholly owned and engaged in a range of commercial banking and financial services, principally in Asia.

The financial statements relate to the Company and its subsidiaries (the Group) and the Group's interests in associates and joint ventures.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

Compliance with Singapore Financial Reporting Standards (International) (SFRS(I))
The financial statements of the Company and the consolidated financial statements of the Group are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). As permitted by Section 201(10)(b) of the Companies Act 1967 (the Act), the Company's income statement has not been included in these financial statements.

The financial statements are presented in Singapore dollars and rounded to the nearest million, unless otherwise stated.

2.2 Significant estimates and judgement

The preparation of financial statements requires management to exercise judgement, use estimates and make assumptions in the application of policies and in reporting the amounts in the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement and complexity, are disclosed in Note 3.

2.3 New or amended SFRS(I) effective for 2022 year-end

The amendments effective from 1 January 2022 did not have significant impact on the Group's financial statements.

2.4 New SFRS(I) and Interpretations effective for future periods

The amendments and interpretations effective for future periods do not have a significant impact on the Group's financial statements.

A) General Accounting Policies

A summary of the significant group accounting policies is described further below starting with those relating to the entire financial statements, followed by those relating to the income statement, the balance sheet and other specific topics. This does not reflect the relative importance of these policies to the Group.

2.5 Group Accounting

Subsidiaries
Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date control is transferred to the Group to the date control ceases.

The acquisition method is used to account for business combinations. Please refer to Note 2.13 for the Group's accounting policy on goodwill.

All intra-group transactions and balances are eliminated on consolidation.

Associates and Joint Ventures
Associates are entities over which the Group has significant influence but no control, where the Group generally holds a shareholding of between and including 20% and 50% of the voting rights.

Joint ventures are entities which the Group has joint control and rights to the net assets of the entity.

Investments in associates and joint ventures are initially recognised at cost. In addition, when the Group's share of the fair value of the identifiable net assets of the investment exceeds the cost of acquisition paid by the Group, the excess is recognised in profit and loss as part of the share of profit from associates and joint ventures.

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method of accounting, these investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses and the Group's share of other comprehensive income. Dividends received or receivable from the associates and joint ventures are recognised as a reduction of the carrying amount of the investments.

2.6 Foreign currency treatment

Functional and presentation currency
Items in the financial statements are measured using the functional currency of each entity in the Group, this being the currency of the primary economic environment in which the entity operates. The Group's financial statements are presented in Singapore dollars, which is the functional currency of the Company.

Foreign currency transactions and balances
Transactions in foreign currencies are measured using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity undertaking the transaction at the exchange rates at the balance sheet date. Foreign exchange differences arising from this translation are recognised in the income statement within "Net trading income".

Non-monetary assets and liabilities measured at cost in a foreign currency are translated using the exchange rates at the date of the transaction.

Non-monetary assets and liabilities measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined, which is generally the balance sheet date.

Unrealised foreign exchange differences arising from non-monetary financial assets and liabilities classified as fair value through profit or loss (FVPL) are recognised in the income statement as trading income.

Non-monetary financial assets that are classified at fair value through other comprehensive income (FVOCI) relates mainly to FVOCI equities. Please refer to Note 2.9 for the accounting treatment of FVOCI equities.

Foreign operations
The results and financial position of subsidiaries, associates, joint ventures and branches or units whose functional currency is not Singapore dollars ("foreign operations") are translated into Singapore dollars in the following manner:

- Assets and liabilities are translated at the exchange rates at the balance sheet date;
- Income and expenses in the income statement are translated at exchange rates prevailing at each month-end, approximating the exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated under foreign currency translation reserves in equity. When a foreign operation is partially or fully disposed of, or when it is liquidated, such exchange differences are recognised in the income statement as part of the gain or loss.

For acquisitions prior to 1 January 2005, the foreign exchange rates at the respective dates of acquisition were used. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate. Please refer to Note 28 for an overview of goodwill recorded.

2.7 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to management.

In preparing the segment information, amounts for each business segment are shown after the allocation of certain centralised costs, funding income and the application of transfer pricing, where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

Please refer to Note 46 for further details on business and geographical segment reporting.

B) Income Statement

2.8 Income recognition

Interest income and interest expense
Interest is accrued on all interest-bearing financial assets and financial liabilities, regardless of their classification and measurement, except for limited transactions measured at FVPL where the economics are better reflected in "Net trading income".

Interest income and interest expense are recognised on a time-proportionate basis using the effective interest method. The calculation includes significant fees and transaction costs that are integral to the effective interest rate, as well as premiums or discounts.

Fee and commission income
The Group earns fee and commission income from a diverse range of products and services provided to its customers. Fee and commission income are recognised when the Group has satisfied its performance obligation in providing the promised products and services to the customer, and are recognised based on contractual rates agreed with customers, net of expected waivers based on historical experience, and net of expenses directly related to it. The Group generally satisfies its performance obligation and recognises the fee and commission income on the following basis:

- Transaction-based fee and commission income is recognised on the completion of the transaction. Such fees include underwriting fees, brokerage fees, bancassurance sales commission and variable service fees, and fees related to the completion of corporate finance transactions.
- For a service that is provided over a period of time, fee and commission income is generally recognised on equal proportion basis over the period during which the related service is provided or credit risk is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time. Fees for these services can be billed to customers in advance or periodically over time. Such fees include the income from issuance of financial guarantees and bancassurance fixed service fees.

The Group does not provide any significant credit terms to customers for the above products and services.

Directly related expenses typically include brokerage fees paid, card-related expenses and sales commissions, but do not include expenses for services delivered over a period (such as service contracts) and other expenses that are not specifically related to fee and commission income transactions.

Dividend income
Dividend income is recognised when the right to receive payment is established. This is generally the ex-dividend date for listed equity securities, and the date when shareholders approve the dividend for unlisted equity securities. Dividend income arising from financial assets classified as FVPL is recognised in "Net trading income", while those arising from FVOCI financial assets is recognised in "Net income from investment securities".

Allowances for credit and other losses
Please refer to Note 2.11 for the accounting policy on impairment of financial assets.

C) Balance Sheet

2.9 Financial assets

Initial recognition
Purchases and sales of all financial assets are recognised on the date that the Group enters into the contractual arrangements with counterparties. When the Group acts as a trustee or in a fiduciary capacity for assets it does not directly control or benefit from, the assets and the corresponding income belonging to a customer are excluded from the financial statements.

Financial assets are initially recognised at fair value, which is generally the transaction price.

Classification and subsequent measurement
SFRS(I) 9 categorises debt-like financial assets based on the business model within which the assets are managed, and whether the assets constitute a "basic lending arrangement" where their contractual cash flows represent solely payments of principal and interest (SPPI). Interest is defined as consideration for the time value of money, credit risk, other basic lending risks and may include a profit margin.

The classification of the financial assets and the associated accounting treatment are as follows:

- Debt instruments are measured at **amortised cost** when they are in a "hold to collect" (HTC) business model and have contractual cash flows that are SPPI in nature. The objective of a HTC business model is to collect contractual principal and interest cash flows. Sales are incidental to the objective and expected to be either insignificant or infrequent. These assets consist primarily of loans in the "Consumer Banking/ Wealth Management" and "Institutional Banking" segments as well as debt securities from the "Others" segment.
- Debt instruments are measured at **fair value through other comprehensive income** (FVOCI) when they are in a "hold to collect & sell" (HTC & S) business model and have cash flows that are SPPI in nature. Both the collection of contractual cash flows and sales are integral to achieving the objective of the HTC & S business model. Assets measured at FVOCI comprise mainly of debt securities from "Treasury Markets" and the "Others" segment.

  Unrealised gains or losses on FVOCI debt instruments are recorded in other comprehensive income and accumulated in FVOCI revaluation reserves. When they are sold, the accumulated fair value adjustments in FVOCI revaluation reserves are reclassified to the income statement as "Net income from investment securities".
- Debt instruments are measured at **fair value through profit or loss** (FVPL) when:

  i) the assets are not SPPI in nature;
  ii) the assets are not part of a "HTC" or "HTC & S" business model; or
  iii) the assets are designated at FVPL to eliminate or significantly reduce the measurement or recognition inconsistencies that would otherwise arise from measuring assets or liabilities on different bases.

  Assets measured at FVPL are mainly recorded in the "Treasury Markets" segment. Realised and unrealised gains or losses on FVPL financial assets are taken to the income statement in the period they arise.
- Subsequent changes in fair value of non-trading equity can be taken through profit or loss or comprehensive income, as elected. The Group generally elects its non-trading equity instruments to be classified as FVOCI. Other than dividend income, gains and losses on FVOCI equity instruments are recorded in other comprehensive income and accumulated in FVOCI revaluation reserves, and not reclassified to profit or loss upon derecognition.
- Derivatives (including derivatives embedded in financial liabilities but separated for accounting purposes) are also classified as held for trading unless they are designated as hedging instruments. Derivatives are classified as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of derivatives other than those designated as hedging instruments in cash flow or net investment hedges are included in "Net trading income".

Reclassification
Reclassification of financial assets are prohibited unless the Group changes its business model for managing financial assets. In practice, this is expected to be infrequent.

Determination of fair value
The fair value of financial assets is the price that would be received if the asset is sold in an orderly transaction between market participants at the measurement date. Fair value is generally estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. Where applicable, a valuation reserve or pricing adjustment is applied to arrive at the fair value. The determination of fair value is considered a significant accounting policy for the Group and further details are disclosed in Note 42.

Offsetting
Financial assets and liabilities are presented net when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle them on a net basis, or realise the asset and settle the liability simultaneously.

Derecognition
Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when they have been transferred together with substantially all the risks and rewards of ownership.

The Group enters into certain transactions where it transfers financial assets recognised on its balance sheet but retains either all or a portion of the risks and rewards of the transferred financial assets. In such cases, the transferred financial assets are not derecognised from the balance sheet. Such transactions include repurchase agreements described in Note 2.12. They also include transactions where control over the financial asset is retained, for example, by a simultaneous transaction (such as options) with the same counterparty to which the asset is transferred. These are mainly transacted in the "Treasury Markets" segment. In such cases, the Group continues to recognise the asset to the extent of its continuing involvement which is the extent to which it is exposed to changes in the value of the transferred asset.

Please refer to Note 20 for disclosures on transferred financial assets.

2.10 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and non-restricted balances with central banks which are readily convertible into cash.

2.11 Impairment of financial assets at amortised cost and FVOCI

Expected Credit Losses (ECL)
ECL are recognised for all financial assets held at amortised cost, debt instruments measured at FVOCI, guarantees and undrawn credit commitments. It represents the present value of expected cash shortfalls over the residual term of a financial asset, guarantee or undrawn commitment.

At initial recognition, allowance is required for ECL resulting from possible default events that may occur within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, allowance is required for ECL resulting from possible default events over the expected life of the instrument ('lifetime ECL').

The ECL recognised follows the three-stage model: financial instruments where 12-month ECL is recognised are considered Stage 1; financial instruments which experience a significant increase in credit risk are in Stage 2; and financial instruments with objective evidence of default or credit-impaired are in Stage 3.

- **Stage 1** – Financial instruments are classified as Stage 1 at initial recognition and will remain under Stage 1 unless they experience a significant increase in credit risk or become credit-impaired. 12-month ECL is recognised for these instruments.
- **Stage 2** – Financial instruments which experience a significant increase in credit risk (SICR) subsequent to initial recognition, but are not yet credit-impaired, will migrate from Stage 1 to Stage 2. Lifetime ECL is recognised for these instruments.

  Significant increase in credit risk (SICR): SICR is assessed by comparing the risk of default at reporting date to the risk of default at origination using a range of qualitative and quantitative factors.

  For wholesale exposures, a financial instrument is deemed to have experienced a significant increase in credit risk when:

  - the observed change in its probability of default (PD), as observed by downgrades in the Group's internal credit risk rating for this instrument between origination and reporting dates, is more than pre-specified thresholds; or
  - it is placed on certain internal credit watchlists categories for closer scrutiny of developing credit issues.

  For retail exposures, days past due is the main driver, supplemented with a PD-based criterion. In any event, all retail and wholesale exposures that are more than 30 days past due are presumed to have experienced a significant increase in credit risk, unless assessed otherwise, and are classified as Stage 2.

  Instruments in Stage 2 that no longer exhibit a significant increase in credit risk will be transferred back to Stage 1.

- **Stage 3** – Financial instruments that become credit-impaired with evidence of default, i.e. non-performing assets, are transferred to Stage 3. Please refer to Risk Management section for the definition of non-performing assets.

  Lifetime ECL is recognised for these assets. ECL for Stage 3 assets are also known as specific allowances.

  A Stage 3 exposure that is restructured can be upgraded to Stage 2 if there are reasonable grounds to conclude that the obligor is able to service future principal and interest payments in accordance with the restructured terms. Stage 3 financial assets are written-off, in whole or in part, when the Group has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of future recoveries.

Measurement of ECL
ECL are unbiased and probability-weighted estimates of credit losses determined by evaluating a range of possible outcomes, considering past events, current conditions and assessments of future economic conditions at the reporting date. The ECL associated with a financial instrument is typically a product of its probability of default (PD), loss given default (LGD) and exposure at default (EAD) discounted using the original effective interest rate to the reporting date.

Component	Description
PD	Point-in-time (based on current conditions, adjusted to take into account estimates of future conditions that will impact PD) estimate of the likelihood of default.
LGD	Estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including recoveries from collaterals.
EAD	Estimate of the expected credit exposure at time of default, taking into account repayments of principal and interest as well as expected drawdowns on undrawn credit commitments and potential pay-outs on guarantees issued.

The 12-month ECL is calculated by multiplying the 12-month PD, LGD and EAD. Lifetime ECL is calculated using the lifetime PD. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively.

In most instances, expected remaining maturity is the same as the remaining contractual life which represents the maximum contractual period over which the Group is exposed to the credit risk of the borrower. However, for some revolving products (e.g. credit cards), the expected remaining maturity may exceed the contractual maturity. In such instances, behavioural expected remaining life will be used.

ECL Modelling - Point-in-Time and Forward-Looking Adjustments
The Group leverages the models and parameters implemented under the Basel II Internal Ratings-Based (IRB) framework where possible, with appropriate modifications to meet SFRS(I) 9 requirements.

Other relevant historical information, loss experience or proxies will be utilised for portfolios without appropriate Basel models and parameters, with a view to maximise the use of available information that is reliable and supportable.

For the wholesale portfolios, credit cycle indices (CCIs) have been developed for the key industries and geographies. CCIs are summary measures that depict broad-based, sector-wide changes in credit risk, which are constructed by comparing the median expected default frequency of firms within each segment against a long-run average. Expected default frequency is in turn a market-based point-in-time default risk measure driven by the market value of firms' assets, asset volatility and leverage. CCIs are then used as inputs to convert the generally more through-the-cycle PDs derived from Basel models/ parameters into the point-in-time equivalents by adding the unaccounted portion of cyclical variations, as well as to incorporate forward-looking information. LGDs are determined using historical loss data, which are adjusted for both the latest and forecasted recovery experience.

The Group relies on a Monte Carlo simulation approach to consider over 100 probability-weighted forward-looking scenarios in estimating ECL. This involves simulations of many alternative CCI scenarios to arrive at an unbiased ECL estimate that are meant to cover all possible good and bad scenarios based on known estimates.

For retail portfolios, historical loss experience is used in conjunction with the forecast loss rates which take into account relevant macroeconomic variables, such as property prices and unemployment rates.

Expert credit judgement and post model adjustments
The measurement of ECL requires the application of expert credit judgement and post model adjustments. These include:

- assignment of credit risk ratings and determination of whether exposures should be placed on credit watchlists;
- assessment of whether a significant increase in credit risk has occurred;
- selecting and calibrating the ECL models such as CCIs;
- determining the expected remaining maturity of revolving products (e.g. overdrafts and credit cards);
- determination of the forecast loss rates; and
- application of thematic overlays based on emerging risk themes where potential risks may not be fully captured in the underlying modelled ECL. Such top-down additional modelled ECL was quantified by means of applying conditional probabilities on more severe scenarios materialising from emerging risk themes.

The Group has two thematic overlays as at 31 December 2022.

In addition to the base scenarios generated by the model, the Group has incorporated a stress scenario and assigned probabilities to the scenarios, in line with management's judgement of the likelihood of each scenario. The stress scenario envisages persistence of the Russia-Ukraine conflict, as well as a sharp, broad-based global recession with a spike in risk aversion in financial markets and large capital outflows from emerging economies.

The other thematic overlay is to address pricing pressures and risks of asset stranding that the conventional energy sector could face as a result of a transition to a low-carbon economy. Probabilities were assigned to the scenarios in-line with management's judgement of the likelihood of each scenario.

Governance framework
The measurement of ECL is subject to a robust governance framework as described below.

- The Group ECL Review Committee (Review Committee) is the overarching committee for ECL related matters and comprises senior management and representatives from functions across the Group. Significant changes to ECL models and methodologies and the application of thematic overlays are subject to the oversight and approval of the Review Committee.
- The Review Committee is supported by the Group ECL Operating Committee (Operating Committee) which comprises cross functional representatives and subject matter experts. The Operating Committee recommends changes to ECL models, methodologies and thematic overlays to the Review Committee; provides oversight over system design, infrastructure and development; and establishes principles and significant policies pertaining to ECL. Group Credit Risk Models Committee oversees ECL models and credit risk models used by the Group.
- Location ECL committees are established for key overseas subsidiaries to govern and manage location-specific ECL reporting.
- ECL models are subject to independent validation by the Risk Management Group (RMG) Model Validation team, as well as independent reviews by internal and external auditors. The validation and assurance processes cover the review of the underlying ECL methodology including its logic and conceptual soundness.

Minimum Regulatory Loss Allowance
Singapore banks are required to maintain the Minimum Regulatory Loss Allowances (MRLA) of at least 1% of the gross carrying amount of selected credit exposures net of collaterals per MAS Notice 612. For periods when Stage 1 and 2 ECL fall below MRLA, the shortfall is appropriated from retained earnings in the shareholders' funds into a non-distributable Regulatory Loss Allowance Reserve (RLAR) account.

2.12 Repurchase agreements

Repurchase agreements (Repos) are arrangements where the Group sold the securities but are subject to a commitment to repurchase or redeem the securities at a pre-determined price. The securities are retained on the balance sheet as Group retains substantially all the risk and rewards of ownership and these securities are disclosed within "Financial assets pledged or transferred" (Note 20). The consideration received is recorded as financial liabilities in either "Due to banks" or "Deposits and balances from customers". Short-dated repos transacted as part of Treasury Markets activities are measured at FVPL.

Reverse repurchase agreements (Reverse repos) are arrangements where the Group purchased the securities but are subject to a commitment to resell or return the securities at a pre-determined price. The risk and rewards of ownership of the collateral are not acquired by the Group and are reflected as collateral received and recorded off-balance sheet. The consideration paid is recorded as financial assets as "Cash and balances with central banks", "Due from banks" or "Loans and advances to customers". Short-dated reverse repos transacted as part of Treasury Markets activities are measured at FVPL.

2.13 Goodwill

Goodwill arising from business combinations generally represents the excess of the acquisition cost over the fair value of identifiable assets acquired and liabilities and contingent liabilities assumed on the acquisition date. Goodwill is stated at cost less impairment losses and is tested at least annually for impairment.

At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units (CGU) or group of CGUs expected to benefit from the combination's synergies.

An impairment loss is recognised when the carrying amount of a CGU, or group of CGUs, including the goodwill, exceeds the applicable recoverable amount. The recoverable amount of a CGU or CGU group is the higher of the CGU's or CGU group's fair value less cost to sell and its value-in-use. An impairment loss on goodwill is recognised in the income statement and cannot be reversed in subsequent periods.

2.14 Properties and other fixed assets

Owned properties and other fixed assets
Properties (including investment properties) and other fixed assets are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated using the straight-line method to write down the costs of the assets to their estimated residual values over the estimated useful lives of the assets. No depreciation is recognised when the residual value is higher than the carrying amount.

Generally, the useful lives are as follows:

Leasehold land	100 years or over the remaining lease period, whichever is shorter. Leasehold land where the unexpired lease period is more than 100 years is not depreciated.
Buildings	30 to 50 years or over the remaining lease period, whichever is shorter.
Computer software	3 to 5 years
Office equipment, furniture and fittings	5 to 10 years
Leasehold improvements	Up to 20 years

Leased properties and other fixed assets
Lease liabilities are initially measured at the present value of lease payments to be made over the lease term at the lease commencement date. The measurement of the associated right-of-use assets generally approximates the lease liability.

Lease liabilities are subsequently measured at amortised cost using the effective interest method. The right-of-use assets are depreciated over the lease term on a straight-line basis.

Extension options and termination options are included in the assessment of the lease term if the options are reasonably certain to be exercised or not exercised accordingly. If the Group changes its initial assessment, adjustments are made to the carrying amounts of the lease liabilities and right-of-use assets prospectively.

The recognition exceptions for short-term leases and leases of low-value assets are applied.

Please refer to Note 27 for the details of owned and leased properties and other fixed assets.

2.15 Financial liabilities

Initial recognition, classification and subsequent measurement
Financial liabilities are initially recognised at fair value. The Group generally classifies and measures its financial liabilities in accordance with the purpose for which the financial liabilities are incurred and managed. Accordingly:

- Financial liabilities are classified as **financial liabilities at fair value through profit or loss** if they are incurred for the purpose of repurchasing in the near term (**"held for trading"**), and this may include debt securities issued and short positions in securities for the purpose of ongoing market-making or trading. Financial liabilities at fair value through profit or loss can also be designated by management on initial recognition (**"designated at fair value through profit or loss"**) if doing so eliminates or significantly reduces measurement or recognition inconsistencies that would otherwise arise, or if the financial liability contains an embedded derivative that would otherwise need to be separately recorded, or if a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis. Financial liabilities in this classification are usually within the "Treasury Markets" segment.

Realised or unrealised gains or losses on financial liabilities held for trading and financial liabilities designated under the fair value option, except interest expense, are taken to "Net trading income" in the income statement in the period they arise.

The changes to the fair value of financial liabilities designated under the fair value option that are attributable to a reporting entity's own credit risk are taken to revenue reserves through other comprehensive income. These amounts are not transferred to the income statement even when realised.

- Derivative liabilities are treated consistently with derivative assets. Please refer to Note 2.9 for the accounting policy on derivatives.
- Other financial liabilities are carried at **amortised cost** using the effective interest method. These comprise predominantly the Group's "Deposits and balances from customers", "Due to banks" and "Other debt securities".

Where the classification and measurement of financial liabilities do not reflect the management of the financial liabilities, the Group may apply hedge accounting where permissible and relevant to better reflect the management of the financial liabilities. Please refer to Note 2.19 for details on hedging and hedge accounting.

Please refer to Note 15 for further details on the types of financial liabilities classified and measured as above.

Determination of fair value
The fair value of financial liabilities is the price that would be paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Please refer to Note 42 for further fair value disclosures.

Derecognition
A financial liability is derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.16 Loan commitments, letters of credit and financial guarantees

Loan commitments
Loan commitments are not recognised on the balance sheet and are disclosed in Note 36. Upon a loan draw-down, the amount of the loan is generally recognised as "Loans and advances to customers" on the Group's balance sheet.

Letters of credit
Letters of credit are recorded off-balance sheet as contingent liabilities upon issuance, and the corresponding payables to the beneficiaries and receivables from the applicants are recognised on the balance sheet upon acceptance of the underlying documents.

Financial guarantees
Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantees are given.

Financial guarantees are subsequently measured at the higher of:

- the amount of the ECL (Note 2.11); and
- the unamortised portion of the fees that were received on initial recognition.

Please refer to Note 2.8 for the principles for recognising the fees.

Off-balance sheet credit exposures are managed for credit risk in the same manner as financial assets.

Please refer to Note 2.11 on the Group's accounting policies on allowances for credit losses.

2.17 Provisions and other liabilities

Provisions for other liabilities of uncertain timing and amounts are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

2.18 Share capital and other instruments classified as equity

Ordinary shares, preference shares and other instruments which do not result in the Group having a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable to the Group, are classified as equity. Distributions arising from such instruments are recognised in equity as there is no contractual obligation to pay distributions on these instruments. Incremental external costs directly attributable to the issuance of such instruments are accounted for as a deduction from equity.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid, including any directly attributable incremental cost is presented as a component within equity, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of the treasury shares is deducted against either the share capital account or retained earnings. When treasury shares are subsequently sold or reissued, any realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in other reserves.

For ordinary and preference shares, interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders at the Annual General Meeting.

D) Other Specific Topics

2.19 Hedging and hedge accounting

As part of the overall risk management of the Group, derivatives and other instruments are used to manage exposures to interest rate and foreign currency risks, including exposures arising from forecast transactions.

Where hedge accounting is not applied, the derivatives are treated in the same way as derivatives held for trading purposes, i.e. realised and unrealised gains and losses are recognised in "Net trading income". The Group applies hedge accounting for economic hedge relationships that meet the hedge accounting criteria. To qualify for hedge accounting, at the inception of each hedging relationship, the Group designates and documents the relationship between the hedging instrument and the hedged item; the risk management objective for undertaking the hedge transaction; and the methods used to assess the effectiveness of the hedge. At inception and on an on-going basis, the Group also assesses and measures the effectiveness of the hedging relationship between the hedging instrument and the hedged item.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between hedging instrument and the hedged item. The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as described below.

- **Fair value hedge**

  For a qualifying fair value hedge, the changes in the fair value of the hedging instruments are recorded in the income statement, together with any changes in the fair value of the hedged item attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment on the hedged item is amortised using the effective interest method to the income statement over its remaining maturity.

  However, where the hedged item is an equity instrument classified as FVOCI, changes in the fair value of the hedging instrument and the hedged item are both recorded in other comprehensive income and accumulated in FVOCI revaluation reserves. The amounts recorded in FVOCI revaluation reserves are not subsequently reclassified to the income statement.

- **Cash flow hedge**

  The effective portion of changes in the fair value of a derivative designated and qualifying as a cash flow hedge is recognised in other comprehensive income and accumulated under the cash flow hedge reserves in equity. This amount is reclassified to the income statement in the periods when the hedged forecast cash flows affect the income statement. The ineffective portion of the gain or loss is recognised immediately in the income statement under "Net trading income".

  When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the cash flow hedge reserves remains until the forecast transaction is recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss in the cash flow hedge reserves is reclassified from equity to the income statement.

- **Net investment hedge**

  Hedges of net investments in the Group's foreign operations are accounted for in a manner similar to cash flow hedges. On disposal of the foreign operations, the cumulative gain or loss in the foreign currency translation reserves is reclassified to the income statement as part of the gain or loss on disposal.

When designating the hedging instrument, the Group may elect to exclude the valuation components of currency basis spreads and forward points from the hedge relationship on a hedge-by-hedge basis.

The forward points and currency basis spreads which are excluded and recorded in other comprehensive income are:

- reclassified to the income statement when the forecast transaction occurs; or
- amortised to the income statement over the hedging tenor for time-period hedges. The amounts recorded in other comprehensive income are not subsequently reclassified to the income statement for hedges of FVOCI equities.

The Group has elected to apply the SFRS(I) 9 hedge accounting rules in full.

Please refer to Note 39 for further details relating to hedge accounting, including fair value, cash flow and net investment hedges.

2.20 Employee benefits

Employee benefits, which include base pay, cash bonuses, share-based compensation, contribution to defined contribution plans such as the Central Provident Fund and other staff-related allowances, are recognised in the income statement when incurred.

For defined contribution plans, contributions are made to publicly or privately administered funds on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations.

Employee entitlement to annual leave is recognised when they accrue to employees. A provision is made for the estimated liability for annual unutilised leave as a result of services rendered by employees up to the balance sheet date.

2.21 Share-based compensation

Employee benefits also include share-based compensation, namely the DBSH Share Plan, the DBSH Employee Share Plan and the DBSH Employee Share Purchase Plan (the Plans). The details of the Plans are described in Note 40.

Equity instruments granted and ultimately vested under the Plans are recognised in the income statement based on the fair value of the equity instrument at the date of grant. The expense is amortised over the vesting period of each award, with a corresponding adjustment to the share plan reserves.

A trust has been set up for the DBSH Employee Share Purchase Plan. The employer's share of the trust fund is consolidated. The unvested DBSH shares held by the trust funds are accounted for as treasury shares, which is presented as a deduction within equity.

2.22 Current and deferred taxes

Current income tax for current and prior periods is recognised as the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Group considers uncertain tax positions generally at the level of the total tax liability to each tax authority for each period. The liability is determined based on the total amount of current tax expected to be paid, taking into account all tax uncertainties, using either an expected value approach or a single best estimate of the most likely outcome.

Tax assets and liabilities of the same type (current or deferred) are offset when a legal right of offset exists and settlement in this manner is intended. This applies generally when they arise from the same tax reporting group and relate to the same tax authority.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the balance sheet date.

The amount of deferred tax assets recognised takes into account the likelihood the amount that can be used to offset payable taxes on future profits.

Deferred tax related to fair value re-measurement of FVOCI investments, which are recognised outside profit or loss, is also recognised outside profit or loss, i.e. in other comprehensive income and accumulated in the FVOCI revaluation reserves.

3. Critical Accounting Estimates

The Group's accounting policies and use of estimates are integral to the reported amounts in the financial statements. Certain accounting estimates require management's judgement in determining the appropriate methodology for valuation of assets and liabilities. Procedures are in place to ensure that methodologies are reviewed and revised as appropriate. The Group believes its estimates for determining the valuation of its assets and liabilities are appropriate.

The following is a brief description of the Group's critical accounting estimates that involve management's valuation judgement.

3.1 Impairment of financial assets

It is the Group's policy to recognise, through charges against profit, allowances in respect of estimated and inherent credit losses in its portfolio as described in Note 2.11.

ECLs are unbiased and probability-weighted estimates of credit losses determined by evaluating a range of possible outcomes, considering past events, current conditions and assessments of future economic conditions at the reporting date. This will necessarily involve the use of judgement.

Please refer to Risk Management section for a further description of the Group's credit risk management framework, policies and procedures.

3.2 Fair value of financial instruments

The majority of the Group's financial instruments reported at fair value are based on quoted and observable market prices or on internally developed models that are based on independently sourced or verified market parameters.

The fair value of financial instruments without an observable market price in an active market may be determined using valuation models. The choice of model requires significant judgement for complex products especially those in the "Treasury Markets" segment.

Policies and procedures have been established to facilitate the exercise of judgement in determining the risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors used in the valuation process.

Please refer to Note 42 for further details on fair valuation and fair value hierarchy of the Group's financial instruments measured at fair value.

3.3 Goodwill impairment

The Group performs an impairment review to ensure that the carrying amount of a CGU to which goodwill is allocated does not exceed the recoverable amount of the CGU. Note 28 provides details of goodwill at the reporting date.

The recoverable amount represents the present value of the estimated future cash flows expected to arise from continuing operations. Therefore, in arriving at the recoverable amount, management exercises judgement in estimating the future cash flows, growth rate and discount rate.

3.4 Income taxes

The Group has exposure to income taxes in several jurisdictions. The Group recognises liabilities for expected tax issues based on reasonable estimate of whether additional tax will be due. Where uncertainty exists around the Group's tax position, appropriate provisions are provided based on the technical assessment of the cases. Where the final tax outcome of these positions is different from the provision provided, the differences will impact the income tax and deferred tax balances in the period in which the final tax is determined. Note 22 provides details of the Group's deferred tax assets/ liabilities.

4. Net Interest Income

	The Group	
In $ millions	**2022**	**2021**
Cash and balances with central banks and Due from banks	**1,255**	419
Customer non-trade loans	**10,268**	6,947
Trade assets	**1,317**	640
Securities and others	**3,087**	2,179
Total interest income	**15,927**	10,185
Deposits and balances from customers	**3,541**	1,184
Other borrowings	**1,445**	561
Total interest expense	**4,986**	1,745
Net interest income	**10,941**	8,440
Comprising:		
Interest income from financial assets at FVPL	**629**	547
Interest income from financial assets at FVOCI	**888**	457
Interest income from financial assets at amortised cost	**14,410**	9,181
Interest expense from financial liabilities at FVPL	**(206)**	(194)
Interest expense from financial liabilities not at FVPL[(a)]	**(4,780)**	(1,551)
Total	**10,941**	8,440

(a) Includes interest expense of $21 million (2021: $30 million) on lease liabilities

5. Net Fee and Commission Income

	The Group	
In $ millions	**2022**	**2021**
Investment banking	**121**	218
Transaction services[(a)]	**929**	925
Loan-related	**459**	413
Cards[(b)]	**858**	715
Wealth management	**1,330**	1,786
Fee and commission income	**3,697**	4,057
Less: fee and commission expense	**606**	533
Net fee and commission income[(c)]	**3,091**	3,524

(a) Includes trade & remittances, guarantees and deposit-related fees
(b) Card fees are net of interchange fees paid
(c) Includes net fee and commission income of $152 million (2021: $139 million), which was derived from the provision of trust and other fiduciary services during the year. Net fee and commission income earned from financial assets or liabilities not at fair value through profit or loss was $975 million (2021: $895 million) during the year

6. Net Trading Income

	The Group	
In $ millions	**2022**	**2021**
Net trading income[(a)(b)]	**1,852**	1,393
Net loss from financial assets designated at fair value	**(17)**	(7)
Net gain from financial liabilities designated at fair value	**478**	405
Total	**2,313**	1,791

(a) Includes income from assets that are mandatorily classified at FVPL
(b) Includes dividend income of $366 million (2021: $300 million)

7. Net Income from Investment Securities

	The Group	
In $ millions	**2022**	**2021**
Debt securities		
– FVOCI	**(46)**	140
– Amortised cost	**#**	98
Equity securities at FVOCI[(a)]	**161**	149
Total[(b)]	**115**	387
Of which: net (loss)/ gain transferred from FVOCI revaluation reserves	**(117)**	163

 # Amount under $500,000
(a) Dividend income
(b) Includes fair value impact of hedges for investment securities

8. Other Income

	The Group	
In $ millions	**2022**	**2021**
Net gain on disposal of properties and other fixed assets	**3**	17
Others[(a)]	**39**	29
Total[(b)]	**42**	46

(a) Includes net gains and losses from sale of loans carried at amortised cost and rental income from operating leases
(b) Share of profits or losses of associates and joint ventures has been reclassified from 'Other income' to a separate line on the face of Income statement. Comparatives have been restated

9. Employee Benefits

	The Group	
In $ millions	**2022**	**2021**
Salaries and bonuses[(a)]	**3,661**	3,251
Contributions to defined contribution plans	**208**	192
Share-based expenses[(b)]	**126**	130
Others	**381**	302
Total	**4,376**	3,875

(a) 2022 includes $1 million (2021: $25 million) of government grants recognised (deducted against salaries and bonuses)
(b) Excludes share-based expenses of $8 million (2021: $4 million) relating to sales incentive plan and non-executive Directors' remuneration which are reflected under other expenses

10. Other Expenses

In $ millions	The Group 2022	2021
Computerisation expenses[(a)]	**1,200**	1,080
Occupancy expenses[(b)]	**396**	416
Revenue-related expenses	**352**	376
Others[(c)(d)]	**766**	822
Total	**2,714**	2,694

(a) Includes hire, depreciation and maintenance costs of computer hardware and software
(b) Includes depreciation of leased office and branch premises of $204 million (2021: $205 million) and amounts incurred in the maintenance of buildings
(c) Includes office administration expenses (e.g. printing, stationery, telecommunications, etc.), and legal and professional fees
(d) 2021 includes a $100 million Corporate Social Responsibility commitment to DBS Foundation and other charitable causes

In $ millions	The Group 2022	2021
Depreciation expenses		
– owned properties and other fixed assets	**477**	431
– leased properties and other fixed assets	**224**	238
Hire and maintenance costs of fixed assets, including building-related expenses	**379**	379
Audit fees[(a)] payable to external auditors[(b)]:		
– Auditors of the Company	**5**	5
– Associated firms of auditors of the Company	**5**	5
Non-audit related fees payable to external auditors[(b)]:		
– Auditors of the Company	**#**	#
– Associated firms of auditors of the Company	**1**	1

 # Amount under $500,000
(a) Includes audit related assurance fees
(b) PricewaterhouseCoopers network firms

11. Allowances for Credit and Other Losses

In $ millions	The Group 2022	2021
Specific allowances[(a)(b)]		
Loans and advances to customers	**323**	471
Investment securities (amortised cost)	**5**	#
Off-balance sheet credit exposures	**(2)**	8
Others	**9**	20
General allowances[(c)]	**(98)**	(447)
Total	**237**	52

 # Amount under $500,000
(a) Includes Stage 3 ECL
(b) Includes charge for non-credit exposures (2022: $3 million; 2021: $1 million)
(c) Refers to Stage 1 and 2 ECL

The following tables outline the changes in ECL under SFRS(I) 9 in 2022 and 2021 which are attributable to the following factors:

- Transfers between stages.
- Net portfolio changes, which are determined on an obligor basis i.e. originations with new obligors net of derecognitions of former obligors.
- Remeasurements, which include the impact of changes in model inputs or assumptions, partial repayments, additional drawdowns on existing facilities and changes in ECL following a transfer between stages.

	The Group			
	General allowances (Non-impaired)		Specific allowances (Impaired)	
In $ millions	Stage 1	Stage 2	Stage 3	Total
2022				
Balance at 1 January	**2,231**	**1,645**	**2,926**	**6,802**
Changes in allowances recognised in opening balance that were transferred to/ (from)	**186**	**(272)**	**86**	**–**
– Stage 1	**(17)**	**17**	**–**	**–**
– Stage 2	**236**	**(236)**	**–**	**–**
– Stage 3	**(33)**	**(53)**	**86**	**–**
Net portfolio changes	**99**	**(54)**	**–**	**45**
Remeasurements	**80**	**(137)**	**246**	**189**
Net write-offs[(a)]	**–**	**–**	**(709)**	**(709)**
Exchange and other movements	**(22)**	**(20)**	**(43)**	**(85)**
Balance at 31 December	**2,574**	**1,162**	**2,506**	**6,242**
Charge in the income statement	**365**	**(463)**	**332**	**234**
2021				
Balance at 1 January	2,507	1,805	3,014	7,326
Changes in allowances recognised in opening balance that were transferred to/ (from)	34	(191)	157	–
– Stage 1	(40)	40	–	–
– Stage 2	144	(144)	–	–
– Stage 3	(70)	(87)	157	–
Net portfolio changes	88	(63)	–	25
Remeasurements	(403)	88	341	26
Net write-offs[(a)]	–	–	(655)	(655)
Exchange and other movements	5	6	69	80
Balance at 31 December	2,231	1,645	2,926	6,802
Charge in the income statement	(281)	(166)	498	51

(a) Write-offs net of recoveries

The following table provides additional information on the financial instruments that are subject to ECL as at 31 December 2022 and 2021. FVPL assets and FVOCI equity instruments are not subject to ECL and therefore not reflected in the tables.

The Group								
	Gross carrying value[d]				ECL balances			
In $ millions	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
2022								
Assets								
Loans and advances to customers[a]								
– Retail	**121,948**	**780**	**539**	**123,267**	**612**	**110**	**142**	**864**
– Wholesale and others	**273,826**	**18,943**	**4,220**	**296,989**	**1,753**	**991**	**2,157**	**4,901**
Investment securities								
– Government securities and treasury bills[b]	**51,753**	**–**	**–**	**51,753**	**8**	**–**	**–**	**8**
– Bank and corporate debt securities[b]	**51,345**	**461**	**92**	**51,898**	**28**	**3**	**79**	**110**
Others[c]	**104,441**	**18**	**69**	**104,528**	**33**	**#**	**69**	**102**
Liabilities								
ECL on guarantees and other off-balance sheet exposures	**–**	**–**	**–**	**–**	**140**	**58**	**59**	**257**
Total ECL					**2,574**	**1,162**	**2,506**	**6,242**
2021								
Assets								
Loans and advances to customers[a]								
– Retail	122,964	724	651	124,339	528	125	144	797
– Wholesale and others	260,763	23,814	4,639	289,216	1,508	1,373	2,401	5,282
Investment securities								
– Government securities and treasury bills[b]	40,582	–	–	40,582	7	–	–	7
– Bank and corporate debt securities[b]	42,811	1,131	97	44,039	29	11	77	117
Others[c]	105,406	55	229	105,690	29	2	224	255
Liabilities								
ECL on guarantees and other off-balance sheet exposures	–	–	–	–	130	134	80	344
Total ECL					2,231	1,645	2,926	6,802

 # Amount under $500,000
(a) Stage 2 Loans and advances to customers includes special mention loans of $3,952 million (2021: $4,415 million) (See Note 43.2)
(b) Includes loss allowances of $16 million (2021: $25 million) for debt securities that are classified as FVOCI: $4 million (2021: $3 million) for Government Securities and Treasury Bills and $12 million (2021: $22 million) for Bank and Corporate Debt securities. (See Notes 17 and 18)
(c) Comprise of amounts in "Cash and balances with central banks", "Due from Banks" and "Other assets" that are subject to ECL
(d) Balances exclude off-balance sheet exposures

The table below shows the portfolio mix of the Loans and advances to customers – Wholesale and others presented in the gross carrying value table above by internal counterparty risk rating (CRR) and probability of default (PD) range:

The Group			
In $ millions	PD range (based on Basel 12-month PDs)[a]	Stage 1 exposures	Stage 2 exposures
2022			
Loans and advances to customers			
– Wholesale and others		**273,826**	**18,943**
Of which (in percentage terms):			
CRR 1 – 6B	**0.01% - 0.99%**	**90%**	**43%**
CRR 7A – 7B	**1.26% - 2.30%**	**6%**	**21%**
CRR 8A – 9	**2.57% - 28.83%**	**2%**	**36%**
Others (not rated)	**NA**	**2%**	**0%**
Total		**100%**	**100%**
2021			
Loans and advances to customers			
– Wholesale and others		260,763	23,814
Of which (in percentage terms):			
CRR 1 – 6B	0.01% - 0.99%	88%	38%
CRR 7A – 7B	1.26% - 2.30%	8%	22%
CRR 8A – 9	2.57% - 28.83%	2%	39%
Others (not rated)	NA	2%	1%
Total		100%	100%

(a) Basel 12-month PDs are transformed to Point-in-Time and forward-looking PDs. Stage 2 exposures are also measured on lifetime basis

Sensitivity of ECL

The Group assessed ECL sensitivity for the wholesale and retail portfolios to changes in the allocation of exposures between Stages 1 and 2. ECL is estimated to reduce by $804 million (2021: $1,187 million) should all the exposures in Stage 2 return to Stage 1 and were assigned a lower 12-month ECL instead of lifetime ECL. The impact also reflects the higher PDs ascribed to Stage 2 exposures in addition to the recognition of lifetime instead of 12-month ECL.

As ECL estimation relies on multiple variables, no single analysis can fully demonstrate the sensitivity of the ECL to changes in macroeconomic variables.

12. Share of Profits or Losses of Associates and Joint Ventures

2021 includes a gain of $104 million recognised on completion of the acquisition of an associate, Shenzhen Rural Commercial Bank Corporation Limited (Note 26.1).

13. Income Tax Expense

In $ millions	The Group 2022	2021
Current tax expense		
– Current year	1,284	1,009
– Prior years' provision	(75)	(96)
Deferred tax expense		
– Origination of temporary differences	8	52
– Prior years' provision	(29)	8
Total	1,188	973

The deferred tax expense/ (credit) in the income statement comprises the following temporary differences:

In $ millions	The Group 2022	2021
Tax depreciation	(46)	19
Allowances for credit and other losses	52	66
Other temporary differences	(27)	(25)
Deferred tax (credit)/ expense charged to income statement	(21)	60

The tax on the Group's profit before tax differs from the theoretical amount computed using the Singapore basic tax rate due to:

In $ millions	The Group 2022	2021
Profit before tax	9,382	7,780
Prima facie tax calculated at a tax rate of 17% (2021: 17%)	1,595	1,322
Effect of different tax rates in other countries	21	48
Net income not subject to tax	(28)	(43)
Net income taxed at concessionary rate	(403)	(293)
Expenses not deductible for tax	26	26
Others	(23)	(87)
Income tax expense charged to income statement	1,188	973

Deferred income tax relating to FVOCI financial assets and cash flow hedges of $333 million was credited (2021: $82 million) and own credit risk of $6 million was debited (2021: $2 million credited) directly to equity.

Please refer to Note 22 for further information on deferred tax assets/ liabilities.

14. Earnings Per Ordinary Share

Number of shares ('000)		The Group 2022	2021
Weighted average number of ordinary shares in issue (basic and diluted)	(a)	2,572,833	2,562,334

In $ millions		The Group 2022	2021
Profit attributable to shareholders		8,193	6,805
Less: Dividends on other equity instruments		(85)	(109)
Adjusted profit	(b)	8,108	6,696
Earnings per ordinary share ($)			
Basic and diluted	(b)/ (a)	3.15	2.61

15. Classification of Financial Instruments

In $ millions	Mandatorily at FVPL[c]	FVPL designated	Amortised cost	The Group FVOCI-Debt	FVOCI-Equity	Hedging derivatives	Total
2022							
Assets							
Cash and balances with central banks	–	–	50,320	3,850	–	–	54,170
Government securities and treasury bills	13,143	103	23,591	28,158	–	–	64,995
Due from banks	24,674	–	33,684	1,773	–	–	60,131
Derivatives	42,715	–	–	–	–	2,220	44,935
Bank and corporate securities	21,529	–	31,581	20,219	2,128	–	75,457
Loans and advances to customers	28	–	414,491	–	–	–	414,519
Other financial assets	98	–	17,318	–	–	–	17,416
Total financial assets	102,187	103	570,985	54,000	2,128	2,220	731,623
Other asset items outside the scope of SFRS(I) 9[a]							11,745
Total assets							743,368
Liabilities							
Due to banks	12,229	–	27,455	–	–	–	39,684
Deposits and balances from customers	1,030	4,422	521,548	–	–	–	527,000
Derivatives	42,154	–	–	–	–	3,111	45,265
Other financial liabilities	2,301	–	19,329	–	–	–	21,630
Other debt securities	86	8,057	39,045	–	–	–	47,188
Subordinated term debts	–	–	4,412	–	–	–	4,412
Total financial liabilities	57,800	12,479	611,789	–	–	3,111	685,179
Other liability items outside the scope of SFRS(I) 9[b]							1,117
Total liabilities							686,296
2021							
Assets							
Cash and balances with central banks	–	–	52,475	3,902	–	–	56,377
Government securities and treasury bills	12,587	97	22,653	17,925	–	–	53,262
Due from banks	15,447	–	34,633	1,297	–	–	51,377
Derivatives	18,821	–	–	–	–	860	19,681
Bank and corporate securities	22,813	–	26,963	16,981	2,935	–	69,692
Loans and advances to customers	1,492	25	407,476	–	–	–	408,993
Other financial assets	–	–	15,268	–	–	–	15,268
Total financial assets	71,160	122	559,468	40,105	2,935	860	674,650
Other asset items outside the scope of SFRS(I) 9[a]							11,423
Total assets							686,073
Liabilities							
Due to banks	5,429	–	24,780	–	–	–	30,209
Deposits and balances from customers	743	229	500,987	–	–	–	501,959
Derivatives	19,079	–	–	–	–	1,239	20,318
Other financial liabilities	2,695	–	14,927	–	–	–	17,622
Other debt securities	126	10,600	41,844	–	–	–	52,570
Subordinated term debts	–	–	4,636	–	–	–	4,636
Total financial liabilities	28,072	10,829	587,174	–	–	1,239	627,314
Other liability items outside the scope of SFRS(I) 9[b]							1,045
Total liabilities							628,359

(a) Includes associates and joint ventures, goodwill and intangibles, properties and other fixed assets, and deferred tax assets
(b) Includes current tax liabilities and deferred tax liabilities
(c) Includes assets and liabilities that are held for trading and debt-type financial assets that are not SPPI in nature

Financial assets and liabilities are presented net when there is a legally enforceable right to offset the recognised amounts, and there is intention to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities offset on the balance sheet

As at 31 December 2022, "Loans and advances to customers" of $10 million (2021: $18 million) were set off against "Deposits and balances from customers" of $10 million (2021: $18 million) because contractually the Group has a legally enforceable right to set off these amounts, and intends to settle the loans and the deposits simultaneously at maturity or termination dates.

Financial assets and liabilities subject to netting agreements but not offset on the balance sheet

The Group enters into master netting arrangements with counterparties where it is appropriate and feasible to do so to mitigate counterparty risk. The credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are settled on a net basis. Master netting arrangements do not result in an offset of financial assets and liabilities on the balance sheet, as the legal right to offset the transactions is conditional upon default.

These agreements include derivative master agreements (including the International Swaps and Derivatives Association (ISDA) Master Agreement), global master repurchase agreements and global securities lending agreements. The collaterals received and pledged under these agreements are generally conducted under terms that are in accordance with normal market practice. The agreements may allow rehypothecation of collateral received and there may be ongoing margin requirements to mitigate counterparty risk.

The disclosures set out in the tables below pertain to financial assets and liabilities that are not offset in the Group's balance sheet but are subject to master netting arrangements or similar agreements that cover similar financial instruments. The disclosures enable the understanding of both the gross and net amounts, as well as provide additional information on how such credit risk is mitigated.

	The Group					
				Related amounts not offset on balance sheet		
In $ millions	Carrying amounts on balance sheet	Not subject to enforceable netting agreement	Net amounts	Financial instruments	Financial collateral received/ pledged	Net amounts
2022						
Financial Assets						
Derivatives	**44,935**	**6,751[(a)]**	**38,184**	**32,084[(a)]**	**2,744**	**3,356**
Reverse repurchase agreements	**36,289[(b)]**	**–**	**36,289**	**–**	**36,273**	**16**
Securities borrowings	**1,359[(c)]**	**–**	**1,359**	**–**	**1,290**	**69**
Total	**82,583**	**6,751**	**75,832**	**32,084**	**40,307**	**3,441**
Financial Liabilities						
Derivatives	**45,265**	**8,907[(a)]**	**36,358**	**32,084[(a)]**	**1,867**	**2,407**
Repurchase agreements	**14,653[(d)]**	**–**	**14,653**	**–**	**14,648**	**5**
Short sale of securities	**2,301[(f)]**	**1,950**	**351**	**–**	**351**	**–**
Total	**62,219**	**10,857**	**51,362**	**32,084**	**16,866**	**2,412**
2021						
Financial Assets						
Derivatives	19,681	4,656[(a)]	15,025	12,932[(a)]	1,035	1,058
Reverse repurchase agreements	29,466[(b)]	–	29,466	–	29,444	22
Securities borrowings	64[(c)]	–	64	–	61	3
Total	49,211	4,656	44,555	12,932	30,540	1,083
Financial Liabilities						
Derivatives	20,318	5,601[(a)]	14,717	12,932[(a)]	1,038	747
Repurchase agreements	5,666[(d)]	–	5,666	–	5,665	1
Securities lendings	41[(e)]	–	41	–	41	–
Short sale of securities	2,695[(f)]	2,176	519	–	519	–
Total	28,720	7,777	20,943	12,932	7,263	748

(a) Related amounts under "Financial instruments" are prepared on the same basis as netting arrangements recognised for computation of Capital Adequacy Ratio (CAR) (unaudited). Accordingly, the amounts shown under "Not subject to enforceable netting agreement" are those where either no netting agreements exist or where the netting agreements have not been recognised for computation of CAR
(b) Reverse repurchase agreements are presented under separate line items on the balance sheet, namely "Due from banks" and "Loans and advances to customers"
(c) Cash collateral pledged under securities borrowings are presented under "Other assets" on the balance sheet
(d) Repurchase agreements are presented under separate line items on the balance sheet, namely "Due to banks" and "Deposits and balances from customers"
(e) Cash collateral received under securities lendings are presented under "Other liabilities" on the balance sheet
(f) Short sale of securities are presented under "Other liabilities" on the balance sheet

16. Cash and Balances with Central Banks

	The Group	
In $ millions	2022	2021
Cash on hand	**2,520**	2,140
Non-restricted balances with central banks	**41,456**	44,550
Cash and cash equivalents	**43,976**	46,690
Restricted balances with central banks[(a)]	**10,194**	9,687
Total[(b)]	**54,170**	56,377

(a) Mandatory balances with central banks
(b) Balances are net of ECL

17. Government Securities and Treasury Bills

	The Group	
In $ millions	2022	2021
Singapore government securities and treasury bills (Gross)	**16,744**	11,364
Other government securities and treasury bills (Gross)	**48,255**	41,902
Less: ECL[(a)]	**4**	4
Total	**64,995**	53,262

(a) ECL for FVOCI securities amounting to $4 million (2021: $3 million) are not shown in the table, as these securities are recorded at fair value

18. Bank and Corporate Securities

	The Group	
In $ millions	2022	2021
Bank and corporate debt securities (Gross)	**62,765**	53,883
Less: ECL[(a)]	**98**	95
Bank and corporate debt securities	**62,667**	53,788
Equity securities	**12,790**	15,904
Total	**75,457**	69,692

(a) ECL for FVOCI securities amounting to $12 million (2021: $22 million) are not shown in the table, as these securities are recorded at fair value

19. Loans and Advances to Customers

In $ millions	The Group 2022	2021
Gross	**420,284**	415,072
Less: Specific allowances[(a)]	**2,299**	2,545
General allowances[(a)]	**3,466**	3,534
Net total	**414,519**	408,993
Analysed by product		
Long-term loans	**198,892**	188,483
Short-term facilities	**97,259**	105,593
Housing loans	**80,625**	78,516
Trade loans	**43,508**	42,480
Gross loans	**420,284**	415,072
Analysed by currency		
Singapore dollar	**164,110**	159,305
Hong Kong dollar	**51,043**	49,685
US dollar	**115,803**	121,691
Chinese yuan	**19,282**	19,203
Others	**70,046**	65,188
Gross loans	**420,284**	415,072

(a) Balances refer to ECL under SFRS(I) 9 (Specific allowances: Stage 3 ECL; General allowances: Stage 1 and Stage 2 ECL)

Please refer to Note 43.4 for a breakdown of loans and advances to customers by geography and by industry.

20. Financial Assets Pledged or Transferred

The Group pledges or transfers financial assets to third parties in the ordinary course of business. Transferred assets continue to be recognised in the Group's financial statements when the Group retains substantially all their risks and rewards. Among these, as set out below, are securities pledged or transferred pursuant to repurchase or securities lending or collateral swap agreements and for derivative transactions under credit support agreements.

There were no derecognised assets that were subject to the Group's partial continuing involvement as at 31 December 2022 and 31 December 2021.

Securities and Certificates of deposit

Securities transferred under repurchase, securities lending and collateral swap arrangements are generally conducted under terms in line with normal market practice. The counterparty is typically allowed to sell or re-pledge the securities but has an obligation to return them at maturity. If the securities decrease in value, the Group may, in certain circumstances, be required to place additional collateral.

For repurchase agreements, the securities pledged or transferred continue to be recorded on the balance sheet while cash received in exchange is recorded as a financial liability. The Group also pledges assets to secure its short position in securities and to facilitate settlement operations. The fair value of the associated liabilities approximates their carrying amount of $9,020 million (2021: $4,488 million), which are recorded under "Due to banks", "Deposits and balances from customers" and "Other liabilities" on the balance sheet.

For securities lending and collateral swap transactions, the securities lent continue to be recorded on the balance sheet. As the Group mainly receives other financial assets in exchange, the associated liabilities are not recorded on the balance sheet.

In addition, the Group also pledges securities for derivative transactions under credit support agreements. These assets continue to be recorded on the balance sheet. As the related derivative assets and liabilities are managed on a portfolio basis, there is no direct relationship between the securities pledged and the associated liabilities. As such, the associated liabilities are not disclosed.

In $ millions	The Group 2022	2021
Financial assets pledged or transferred		
Singapore government securities and treasury bills	**2,773**	2,092
Other government securities and treasury bills	**7,339**	4,327
Bank and corporate debt securities	**2,641**	1,407
Equity securities	**1,232**	42
Certificates of deposit	**504**	563
Total	**14,489**	8,431

Covered bonds

Pursuant to the Bank's Global Covered Bond Programme, selected pools of residential mortgages originated by the Bank have been assigned to a bankruptcy-remote structured entity, Bayfront Covered Bonds Pte Ltd (see Notes 23.2 and 31.4). These residential mortgages continue to be recognised on the Bank's balance sheet as the Bank remains exposed to the risks and rewards associated with them.

As at 31 December 2022, the carrying value of the covered bonds in issue was $7,575 million (2021: $5,689 million), while the carrying value of assets assigned was $16,740 million (2021: $9,237 million). The difference in values is attributable to an intended over-collateralisation required to maintain the credit ratings of the covered bonds in issue, and additional assets assigned to facilitate future issuances.

21. Other Assets

In $ millions	The Group 2022	2021
Accrued interest receivable	**2,346**	1,274
Deposits and prepayments	**711**	584
Receivables from securities business	**358**	480
Sundry debtors and others	**7,800**	9,748
Cash collateral pledged[(a)]	**6,201**	3,182
Deferred tax assets (Note 22)	**887**	627
Total[(b)]	**18,303**	15,895

(a) Mainly relates to cash collateral pledged in respect of derivative portfolios
(b) Balances are net of specific and general allowances

22. Deferred Tax Assets/ Liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. The deferred tax assets and liabilities are determined after appropriate offsetting, as shown in "Other assets" (Note 21) and "Other liabilities" (Note 30) respectively.

Deferred tax assets and liabilities comprise the following temporary differences:

In $ millions	The Group 2022	2021
Deferred income tax assets		
Allowances for credit and other losses	**368**	449
FVOCI financial assets	**143**	12
Cash flow hedges	**197**	14
Own credit risk	**–**	3
Other temporary differences	**436**	382
Sub-total	**1,144**	860
Amounts offset against deferred tax liabilities	**(257)**	(233)
Total	**887**	627
Deferred income tax liabilities		
Allowances for credit and other losses	**61**	62
Tax depreciation	**112**	158
FVOCI financial assets	**–**	6
Cash flow hedges	**–**	7
Own credit risk	**3**	–
Other temporary differences	**137**	81
Sub-total	**313**	314
Amounts offset against deferred tax assets	**(257)**	(233)
Total	**56**	81
Net deferred tax assets	**831**	546

23. Subsidiaries and Consolidated Structured Entities

In $ millions	The Company 2022	2021
Investment in subsidiaries[(a)]		
Ordinary shares	**17,682**	17,682
Additional Tier 1 instruments	**2,982**	3,025
Other equity instruments	**344**	344
	21,008	21,051
Due from subsidiaries		
Subordinated term debts	**5,859**	6,398
Other debt securities	**684**	735
Other receivables	**1,989**	3,160
	8,532	10,293
Total	**29,540**	31,344

(a) The carrying amounts of certain investments which are designated as hedged items in a fair value hedge are adjusted for fair value changes attributable to the hedged risks

23.1 Main operating subsidiaries

The main operating subsidiaries within the Group are listed below.

Name of subsidiary	Incorporated in	The Group Effective shareholding % 2022	2021
Commercial Banking			
DBS Bank Ltd.	Singapore	**100**	100
DBS Bank (Hong Kong) Limited*	Hong Kong	**100**	100
DBS Bank (China) Limited*	China	**100**	100
DBS Bank (Taiwan) Limited*	Taiwan	**100**	100
PT Bank DBS Indonesia*	Indonesia	**99**	99
DBS Bank India Limited*	India	**100**	100
Other Financial Services			
DBS Vickers Securities Holdings Pte Ltd	Singapore	**100**	100
DBS Digital Exchange Pte. Ltd.[(a)]	Singapore	**90**	90
DBS Securities (China) Co. Ltd*	China	**51**	51

** Audited by PricewaterhouseCoopers network firms outside Singapore*
(a) Subsidiary held by DBS Finnovation Pte. Ltd., an investment holding company under DBS Bank Ltd.

The Group's main subsidiaries are regulated banks and non-bank financial institutions. Statutory, contractual or regulatory requirements as well as protective rights of non-controlling interests may restrict the ability of the Company to access and transfer assets freely to or from other entities within the Group and to settle liabilities of the Group. Since the Group did not have any material non-controlling interests as at the balance sheet dates, any protective rights associated with these did not give rise to significant restrictions in 2021 and 2022.

23.2 Consolidated structured entity

The structured entity consolidated by the Group is listed below.

Name of entity	Purpose of consolidated structured entity	Incorporated in
Bayfront Covered Bonds Pte Ltd	Covered bond guarantor	Singapore

Bayfront Covered Bonds Pte Ltd is a bankruptcy-remote structured entity established in conjunction with the Bank's USD 10 billion Global Covered Bond Programme (see Note 31.4). As part of the contractual structures that are integral to this programme, the Bank provides funding and hedging facilities to it.

24. Associates and Joint Ventures

In $ millions	The Group 2022	The Group 2021
Unquoted equity securities	**2,055**	1,932
Share of post-acquisition reserves	**225**	240
Total	**2,280**	2,172

The Group's share of income and expenses, assets and liabilities and off-balance sheet items of the associates and joint ventures at 31 December are as follows:

In $ millions	The Group 2022	The Group 2021
Income statement		
Share of income	**605**	502
Share of expenses	**(398)**	(289)
Balance sheet		
Share of total assets	**4,437**	4,233
Share of total liabilities	**2,157**	2,061
Off-balance sheet		
Share of contingent liabilities and commitments	**3,737**	2,435

24.1 Main associates

The main associates of the Group are listed below.

Name of associate	Incorporated in	The Group Effective shareholding % 2022	The Group Effective shareholding % 2021
Unquoted			
Central Boulevard Development Pte Ltd*	Singapore	**33.3**	33.3
Shenzhen Rural Commercial Bank Corporation Limited* [(a)] (Note 26.1)	China	**13.0**	13.0

* *Audited by other auditors*
(a) *The Group is able to exercise significant influence over the financial and operating policy decision through board representation*

As of 31 December 2022 and 31 December 2021, no associate and joint venture was individually material to the Group. As a non-controlling shareholder, the Group's ability to receive dividends is subject to agreement with other shareholders. The associates and joint ventures may also be subject to statutory, contractual or regulatory requirements restricting dividend payments or to repay loans or advances made.

25. Unconsolidated Structured Entities

"Unconsolidated structured entities" are structured entities, as defined by SFRS(I) 12, that are not controlled by the Group. In the normal course of business, the Group enters into transactions with these structured entities to facilitate customer transactions and for specific investment opportunities.

While the economic exposures may be the same as those to other types of entities, SFRS(I) 12 specifically requires companies to disclose such exposures arising from transactions with unconsolidated structured entities. The table below reflects exposures to third party securitisation structures where the Group holds an interest in the normal course of business.

As is the case with other types of counterparties, the carrying amount from transactions with unconsolidated structured entities have been included in the Group's financial statements.

The risks arising from such transactions are subject to the Group's risk management practices.

The table below represents the Group's maximum exposure to loss which for on-balance sheet assets and liabilities is represented by the carrying amount, and does not reflect mitigating effects from the availability of netting arrangements and financial instruments that the Group may utilise to economically hedge the risks inherent in third party structured entities, or risk-reducing effects of collateral or other credit enhancements.

In $ millions	The Group 2022	The Group 2021
Derivatives	**25**	6
Corporate securities	**4,017**	3,704
Loans and advances to customers	**–**	9
Other assets	**3**	2
Total assets	**4,045**	3,721
Commitments	**799**	549
Maximum exposure to loss	**4,844**	4,270
Derivatives	**244**	108
Total liabilities	**244**	108

SFRS(I) 12 also requires additional disclosures where the Group acts as a sponsor to unconsolidated structured entities. The Group is deemed a sponsor of a structured entity if it plays a key role in establishing the entity, and has an on-going involvement with the structured entity or if the Group's name appears in the structured entity's name.

There are certain investment funds where the Group is the fund manager and the investors have no or limited removal rights over the fund manager. These funds are primarily subscribed by the investors. As of 31 December 2022, the Group did not hold any investment in these investment funds. The table below summarises the Group's involvement in the funds.

In $ millions	The Group 2022	The Group 2021
Total assets of the sponsored structured entities	**476**	452
Fee income earned from the sponsored structured entities	**8**	4

26. Acquisitions

26.1 Shenzhen Rural Commercial Bank Corporation Limited

The Group announced on 20 April 2021 that it had entered into an agreement and have obtained approvals from Monetary Authority of Singapore and China Banking and Insurance Regulatory Commission, Shenzhen Office to subscribe for a 13% stake in Shenzhen Rural Commercial Bank Corporation Limited ("SZRCB") for CNY 5.3 billion ($1.1 billion) ("the Investment").The purchase consideration was adjusted to CNY 5.2 billion ($1.1 billion) following the dividend distribution of CNY 10 cents per share by SZRCB in May 2021.

The Investment is classified as an associate and applies the equity method of accounting. The Group is able to exercise significant influence over the financial and operating policy decision through board representation.

The transaction was completed in October 2021 and a gain of $104 million was recognised, being the excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment. The gain is included in share of profits or losses of associates during the year. The Investment is in line with the Group's strategy of investing in its core markets and accelerates its expansion in the rapidly growing Greater Bay Area.

26.2 Consumer banking business of Citigroup Inc ("Citi") in Taiwan

The Group announced on 28 January 2022 that it had agreed to acquire the consumer banking business of Citi in Taiwan ("Citi Consumer Taiwan") via a transfer of assets and liabilities, and will pay Citi cash for the net assets of Citi Consumer Taiwan plus a premium capped at $966 million (TWD 22.1 billion). The acquisition is in line with the Group's strategy to scale up its investment and accelerates its expansion in Taiwan.

Completion of the proposed acquisition is subject to customary regulatory and migration conditions. Subject to the timing of satisfying these conditions, completion and migration is tentatively set to be around third quarter of 2023.

27. Properties and Other Fixed Assets

In $ millions	The Group 2022	2021
Owned properties and other fixed assets		
Investment properties	**39**	40
Owner-occupied properties	**398**	423
Software[a]	**1,181**	1,042
Other fixed assets	**367**	380
Sub-total	**1,985**	1,885
Right-of-use assets		
Properties	**1,155**	1,261
Other fixed assets	**98**	116
Sub-total	**1,253**	1,377
Total	**3,238**	3,262

(a) During the year, the additions to software were $491 million (2021: $399 million), disposals/ write-offs were $51 million (2021: $21 million) and depreciation expenses were $300 million (2021: $261 million)

28. Goodwill and Intangibles

The carrying amounts of the Group's goodwill and intangibles arising from business acquisitions are as follows:

In $ millions	The Group 2022	2021
DBS Bank (Hong Kong) Limited	**4,631**	4,631
Others	**709**	731
Total	**5,340**	5,362

Goodwill is reviewed on an annual basis or when indicators of impairment exist.

The more material goodwill at the Group relates to DBS Bank (Hong Kong) Limited's franchise. The recoverable value of the franchise is determined based on a value-in-use calculation. The CGU's five-year projected free cash flows, after taking into account the maintenance of capital adequacy requirements at target levels, are discounted by its cost of capital to derive its present value. To derive the value beyond the fifth year, a long-term growth rate is imputed to the fifth-year cash flow and then discounted by the cost of capital to derive the terminal value. The long-term growth rate used does not exceed the historical long-term growth rate of the market the CGU operates in. The recoverable value is the sum of the present value of the five-year cash flows and the terminal value.

A growth rate of 3.5% (2021: 3.5%) and discount rate of 9.0% (2021: 9.0%) were assumed in the value-in-use calculation for DBS Bank (Hong Kong) Limited's franchise.

The process of evaluating goodwill impairment involves management judgement and prudent estimates of various factors including future cash flows as well as the cost of capital and long-term growth rates. The results can be highly sensitive to the assumptions used. Key assumptions used to determine the recoverable amounts of the CGU, including growth rate and discount rate, are tested for sensitivity by applying a reasonably possible change to those assumptions. The reasonably possible changes in key assumptions did not result in an impairment of goodwill as at 31 December 2022.

29. Deposits and Balances from Customers

In $ millions	The Group 2022	2021
Analysed by currency		
Singapore dollar	**213,259**	219,838
US dollar	**198,124**	174,338
Hong Kong dollar	**36,211**	31,067
Chinese yuan	**21,795**	20,995
Others	**57,611**	55,721
Total	**527,000**	501,959
Analysed by product		
Savings accounts	**186,727**	221,908
Current accounts	**130,855**	159,453
Fixed deposits	**203,545**	113,731
Other deposits	**5,873**	6,867
Total	**527,000**	501,959

30. Other Liabilities

In $ millions	The Group 2022	2021
Cash collateral received[a]	**4,205**	1,951
Accrued interest payable	**1,213**	286
Provision for loss in respect of off-balance sheet credit exposures	**257**	344
Payable in respect of securities business	**351**	365
Sundry creditors and others[b]	**11,914**	10,459
Lease liabilities[c]	**1,389**	1,522
Current tax liabilities	**1,061**	964
Short sale of securities	**2,301**	2,695
Deferred tax liabilities (Note 22)	**56**	81
Total	**22,747**	18,667

(a) Mainly relates to cash collateral received in respect of derivative portfolios
(b) Includes income received in advance of $864 million (2021: $960 million) arising from a 15-year regional distribution agreement entered with Manulife Financial Asia Limited, to be amortised on a straight-line basis. The regional distribution agreement was extended for one more year to 2031 via a contract addendum in 2021. The revised amortisation amounting to $96 million per annum arising from the change took effect from 2022. $96 million (2021: $107 million) of the Manulife income received in advance was recognised as fee income during the year
(c) Total lease payments made during the year amounted to $242 million (2021: $261 million)

31. Other Debt Securities

In $ millions	Note	The Group 2022	2021	The Company 2022	2021
Negotiable certificates of deposit	31.1	**5,910**	4,865	**–**	–
Senior medium term notes	31.2	**6,592**	6,540	**3,472**	5,400
Commercial papers	31.3	**19,053**	24,865	**–**	270
Covered bonds	31.4	**7,575**	5,689	**–**	–
Other debt securities	31.5	**8,058**	10,611	**–**	–
Total		**47,188**	52,570	**3,472**	5,670
Due within 1 year		**30,745**	38,056	**684**	2,119
Due after 1 year[a]		**16,443**	14,514	**2,788**	3,551
Total		**47,188**	52,570	**3,472**	5,670

(a) Includes instruments in perpetuity

31.1 Negotiable certificates of deposit issued and outstanding are as follows:

In $ millions		The Group	
Currency	Interest Rate and Interest Frequency	2022	2021
Issued by the Bank and other subsidiaries			
AUD	Zero-coupon, payable on maturity	**3,207**	3,119
CNY	Zero-coupon, payable on maturity	**2,136**	1,648
HKD	1.07%, payable on maturity	**35**	–
HKD	Zero-coupon, payable on maturity	**500**	–
INR	Zero-coupon, payable on maturity	**32**	–
TWD	0.42%, payable on maturity	**–**	98
Total		**5,910**	4,865

The outstanding negotiable certificates of deposit as at 31 December 2022 were issued between 11 January 2022 and 29 December 2022 (2021: 5 July 2021 and 30 December 2021) and mature between 4 January 2023 and 21 November 2023 (2021: 4 January 2022 and 20 October 2022).

31.2 Senior medium term notes issued and outstanding as at 31 December are as follows:

In $ millions		The Group		The Company	
Currency	Interest Rate and Interest Frequency	2022	2021	2022	2021
Issued by the Company					
AUD	0.85%, payable semi-annually	**268**	292	**273**	294
AUD	Floating rate note, payable quarterly	**410**	441	**410**	441
HKD	2.78% to 2.8%, payable annually	**–**	156	**–**	156
HKD	1.074%, payable semi-annually	**241**	243	**241**	243
USD	1.169% to 3.422%, payable semi-annually	**2,085**	3,184	**2,145**	3,185
USD	Floating rate note, payable quarterly	**403**	1,081	**403**	1,081
Issued by the Bank and other subsidiaries					
AUD	Floating rate note, payable quarterly	**1,460**	686	**–**	–
CNY	4.7%, payable annually	**158**	174	**–**	–
HKD	5.4%, payable quarterly	**214**	–	**–**	–
HKD	Floating rate note, payable quarterly	**232**	–	**–**	–
HKD	1.125% to 5.41%, payable semi-annually	**736**	–	**–**	–
USD	1.492% to 2.3%, payable semi-annually	**385**	283	**–**	–
Total		**6,592**	6,540	**3,472**	5,400

The outstanding senior medium term notes as at 31 December 2022 were issued between 24 January 2019 and 22 November 2022 (2021: 13 January 2017 and 22 November 2021) and mature between 3 March 2023 and 15 March 2027 (2021: 13 January 2022 and 15 March 2027).

31.3 The commercial papers were issued by the Bank under its USD 5 billion Euro Commercial Paper Programme and USD 20 billion US Commercial Paper Programme and by the Company under its USD 5 billion US Commercial Paper Programme. These are mainly zero-coupon papers. The outstanding notes as at 31 December 2022 were issued between 7 July 2022 and 31 December 2022 (2021: 6 July 2021 and 31 December 2021) and mature between 3 January 2023 and 30 June 2023 (2021: 5 January 2022 and 9 September 2022).

31.4 The covered bonds were issued by the Bank under its USD 10 billion Global Covered Bond Programme. A covered bond is a senior obligation of the Bank backed by a cover pool comprising assets that have been ring-fenced via contractual structures in a bankruptcy-remote structured entity, Bayfront Covered Bonds Pte Ltd. Bayfront Covered Bonds Pte Ltd provides an unconditional and irrevocable guarantee, which is secured by the cover pool, to the covered bond holders. Please refer to Note 20 for further details on the covered bonds.

The outstanding covered bonds as at 31 December 2022 were issued between 23 January 2017 and 12 December 2022 (2021: 23 January 2017 and 17 November 2021) and mature between 23 January 2024 and 17 March 2027 (2021: 25 October 2022 and 26 October 2026).

31.5 Other debt securities issued and outstanding as at 31 December are as follows:

	The Group	
In $ millions	2022	2021
Issued by the Bank and other subsidiaries		
Equity linked notes	**1,740**	4,929
Credit linked notes	**3,832**	2,826
Interest linked notes	**2,364**	2,809
Others	**122**	47
Total	**8,058**	10,611

The outstanding securities (excluding perpetual securities) as at 31 December 2022 were issued between 12 March 2013 and 31 December 2022 (2021: 1 March 2013 and 31 December 2021) and mature between 3 January 2023 and 22 February 2062 (2021: 3 January 2022 and 31 March 2061).

32. Subordinated Term Debts

The following subordinated term debts issued by the Company are classified as liabilities. These term debt instruments have a junior or lower priority claim on the issuing entity's assets in the event of a default or liquidation.

The subordinated term debts issued by the Company include provisions for them to be written-off if and when the Monetary Authority of Singapore notifies the Company that a write-off of the instruments, or a public sector injection of capital (or equivalent support), is necessary, without which the Company or the Group would become non-viable. These instruments qualify as Tier 2 capital under the Monetary Authority of Singapore Notice to Designated Financial Holding Companies on Risk Based Capital Adequacy Requirements (MAS Notice FHC-N637).

					The Group and The Company	
In $ millions	Note	Issue Date	Maturity Date	Interest Payment	2022	2021
Issued by the Company						
SGD 250m 3.80% Subordinated Notes due 2028 Callable in 2023	32.1	20 Jan 2016	20 Jan 2028	Jan/ Jul	**251**	256
JPY 10,000m 0.918% Subordinated Notes due 2026	32.2	8 Mar 2016	8 Mar 2026	Mar/ Sep	**101**	118
AUD 750m 3-month BBSW+1.58% Subordinated Notes due 2028 Callable in 2023	32.3	16 Mar 2018	16 Mar 2028	Mar/ Jun/ Sep/ Dec	**684**	735
EUR 600m 1.50% Subordinated Notes due 2028 Callable in 2023	32.4	11 Apr 2018	11 Apr 2028	Apr	**859**	917
CNY 950m 5.25% Subordinated Notes due 2028 Callable in 2023	32.5	15 May 2018	15 May 2028	May/ Nov	**183**	201
USD 750m 4.52% Subordinated Notes due 2028 Callable in 2023	32.6	11 Jun 2018	11 Dec 2028	Jun/ Dec	**1,007**	1,014
JPY 7,300m 0.85% Subordinated Notes due 2028 Callable in 2023	32.7	25 Jun 2018	25 Jun 2028	Jun/ Dec	**74**	86
AUD 300m 3-month BBSW+1.90% Subordinated Notes due 2031 Callable in 2026	32.8	8 Oct 2020	8 Apr 2031	Jan/ Apr/ Jul/ Oct	**274**	294
CNY 1,600m 3.70% Subordinated Notes due 2031 Callable in 2026	32.9	3 Mar 2021	3 Mar 2031	Mar/ Sep	**308**	339
USD 500m 1.822% Subordinated Notes due 2031 Callable in 2026	32.10	10 Mar 2021	10 Mar 2031	Mar/ Sep	**671**	676
Total					**4,412**	4,636
Due within 1 year					**251**	–
Due after 1 year					**4,161**	4,636
Total					**4,412**	4,636

32.1 Interest on the notes is payable at 3.80% per annum up to 20 January 2023. Thereafter, the interest rate resets to the then-prevailing five-year Singapore Dollar Swap Offer Rate plus 1.10% per annum. Interest is paid semi-annually on 20 January and 20 July each year. The notes are redeemable on 20 January 2023 or on any interest payment date thereafter. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments. The notes were fully redeemed on 20 January 2023.

32.2 Interest on the notes is payable semi-annually at 0.918% per annum on 8 March and 8 September each year. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments.

32.3 Interest on the notes is payable quarterly at 3-month Bank Bill Swap Rate (BBSW) plus 1.58% per annum on 16 March, 16 June, 16 September and 16 December each year. The notes are redeemable on 16 March 2023 or on any interest payment date thereafter.

32.4 Interest on the notes is payable at 1.50% per annum up to 11 April 2023. Thereafter, the interest rate resets to the then-prevailing five-year Euro Mid-Swap Rate plus 1.20% per annum. Interest is paid annually on 11 April each year. The notes are redeemable on 11 April 2023 or on any interest payment date thereafter.

32.5 Interest on the notes is payable semi-annually at 5.25% per annum on 15 May and 15 November each year. The notes are redeemable on 15 May 2023 or on any interest payment date thereafter.

32.6 Interest on the notes is payable at 4.52% per annum up to 11 December 2023. Thereafter, the interest rate resets to the then-prevailing five-year US Dollar Mid-Swap Rate plus 1.59% per annum. Interest is paid semi-annually on 11 June and 11 December each year. The notes are redeemable on 11 December 2023 or on any interest payment date thereafter.

32.7 Interest on the notes is payable at 0.85% per annum up to 25 June 2023. Thereafter, the interest rate resets to the then-prevailing six-month JPY London Interbank Offered Rate plus 0.74375% per annum. Interest is paid semi-annually on 25 June and 25 December each year. The notes are redeemable on 25 June 2023 or on any interest payment date thereafter. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments.

32.8 Interest on the notes is payable quarterly at 3-month Bank Bill Swap Rate (BBSW) plus 1.90% per annum on 8 January, 8 April, 8 July and 8 October each year. The notes are redeemable on 8 April 2026 or on any interest payment date thereafter.

32.9 Interest on the notes is payable semi-annually at 3.70% per annum on 3 March and 3 September each year. The notes are redeemable on 3 March 2026 or on any interest payment date thereafter.

32.10 Interest on the notes is payable at 1.822% per annum up to 10 March 2026. Thereafter, the interest rate resets to the then-prevailing five-year US Dollar Treasury Rate plus 1.10% per annum. Interest is paid semi-annually on 10 March and 10 September each year. The notes are redeemable on 10 March 2026 or on any interest payment date thereafter.

For more information on each instrument, please refer to the "Capital Instruments" section (unaudited) published on DBS website (https://www.dbs.com/investors/fixed-income/capital-instruments).

33. Share Capital

The Scrip Dividend Scheme ("Scheme") was re-introduced from the second-quarter interim dividend of financial year 2020. With the MAS lifting of regulatory restrictions on 28 July 2021, the Scheme was only applied to the 2021 first quarter interim dividend and ceased thereafter.

As at 31 December 2022, the number of treasury shares held by the Group is 15,454,520 (2021: 20,872,531), which is 0.60% (2021: 0.81%) of the total number of issued shares net of treasury shares.

Movements in the number of shares and carrying amount of share capital are as follows:

	The Group				The Company			
	Shares ('000)		In $ millions		Shares ('000)		In $ millions	
	2022	2021	2022	2021	2022	2021	2022	2021
Ordinary shares								
Balance at 1 January	**2,587,618**	2,575,864	**11,826**	11,484	**2,587,618**	2,575,864	**11,826**	11,484
Shares issued pursuant to Scrip Dividend Scheme	**–**	11,754	**–**	342	**–**	11,754	**–**	342
Balance at 31 December	**2,587,618**	2,587,618	**11,826**	11,826	**2,587,618**	2,587,618	**11,826**	11,826
Treasury shares								
Balance at 1 January	**(20,873)**	(25,874)	**(443)**	(542)	**(19,276)**	(24,796)	**(401)**	(516)
Purchase of treasury shares	**(315)**	(534)	**(11)**	(16)	**–**	–	**–**	–
Draw-down of reserves upon vesting of performance shares	**5,733**	5,535	**123**	115	**–**	–	**–**	–
Transfer of treasury shares	**–**	–	**–**	–	**5,287**	5,520	**110**	115
Balance at 31 December	**(15,455)**	(20,873)	**(331)**	(443)	**(13,989)**	(19,276)	**(291)**	(401)
Issued share capital at 31 December			**11,495**	11,383			**11,535**	11,425

34. Other Equity Instruments

The following perpetual capital securities issued by the Company are classified as other equity instruments. These instruments are subordinated to all liabilities of the Company and senior only to ordinary shareholders of the Company. Their terms require them to be written-off if and when the Monetary Authority of Singapore notifies the Company that a write-off of the instruments, or a public sector injection of capital (or equivalent support), is necessary, without which the Company or the Group would become non-viable. These instruments qualify as Additional Tier 1 capital under MAS Notice FHC-N637.

In $ millions	Note	Issue Date	Distribution Payment	The Group and The Company 2022	2021
Issued by the Group and the Company					
SGD 1,000m 3.98% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025	34.1	12 Sep 2018	Mar/ Sep	**1,000**	1,000
USD 1,000m 3.30% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025	34.2	27 Feb 2020	Feb/ Aug	**1,392**	1,392
Total				**2,392**	2,392

34.1 Distributions are payable at 3.98% per annum up to 12 September 2025. Thereafter, the distribution rate resets every 7 years to the then-prevailing seven-year Singapore Dollar Swap Offer Rate plus 1.65% per annum. Distributions are paid semi-annually on 12 March and 12 September each year, unless cancelled by the Company. The capital securities are redeemable on 12 September 2025 or on any distribution payment date thereafter.

34.2 Distributions are payable at 3.30% per annum up to 27 February 2025. Thereafter, the distribution rate resets every 5 years to the then-prevailing five-year US Dollar Treasury Rate plus 1.915% per annum. Distributions are paid semi-annually on 27 February and 27 August each year, unless cancelled by the Company. The capital securities are redeemable on 27 February 2025 or on any distribution payment date thereafter.

For more information on each instrument, please refer to the "Capital Instruments" section (unaudited) published on DBS website (https://www.dbs.com/investors/fixed-income/capital-instruments).

35. Other Reserves and Revenue Reserves

35.1 Other reserves

In $ millions	The Group 2022	The Group 2021	The Company 2022	The Company 2021
FVOCI revaluation reserves (debt)	**(1,686)**	(68)	**–**	–
FVOCI revaluation reserves (equity)	**(346)**	(56)	**–**	–
Cash flow hedge reserves	**(2,495)**	(210)	**(79)**	25
Foreign currency translation reserves	**(1,270)**	(331)	**–**	–
Share plan reserves	**116**	106	**116**	106
Others	**4,334**	4,369	**–**	–
Total	**(1,347)**	3,810	**37**	131

Movements in other reserves during the year are as follows:

In $ millions	The Group: FVOCI revaluation reserves (debt)	FVOCI revaluation reserves (equity)	Cash flow hedge reserves	Foreign currency translation reserves	Share plan reserves	Other reserves[(a)]	Total
2022							
Balance at 1 January	**(68)**	**(56)**	**(210)**	**(331)**	**106**	**4,369**	**3,810**
Net exchange translation adjustments	**–**	**–**	**–**	**(939)**	**–**	**–**	**(939)**
Share of associates' reserves	**–**	**(10)**	**17**	**–**	**–**	**1**	**8**
Cost of share-based payments	**–**	**–**	**–**	**–**	**134**	**–**	**134**
Draw-down of reserves upon vesting of performance shares	**–**	**–**	**–**	**–**	**(124)**	**–**	**(124)**
FVOCI financial assets and cash flow hedge movements:							
– net valuation taken to equity	**(1,860)**	**(432)**	**(2,355)**	**–**	**–**	**–**	**(4,647)**
– transferred to income statement	**117**	**–**	**(140)**	**–**	**–**	**–**	**(23)**
– taxation relating to components of other comprehensive income	**125**	**15**	**193**	**–**	**–**	**–**	**333**
Transfer to revenue reserves upon disposal of FVOCI equities	**–**	**137**	**–**	**–**	**–**	**–**	**137**
Other movements	**–**	**–**	**–**	**–**	**–**	**(36)**	**(36)**
Balance at 31 December	**(1,686)**	**(346)**	**(2,495)**	**(1,270)**	**116**	**4,334**	**(1,347)**
2021							
Balance at 1 January	385	(141)	386	(688)	89	4,366	4,397
Net exchange translation adjustments	–	–	–	357	–	–	357
Share of associates' reserves	–	2	10	–	–	–	12
Cost of share-based payments	–	–	–	–	134	–	134
Draw-down of reserves upon vesting of performance shares	–	–	–	–	(117)	–	(117)
FVOCI financial assets and cash flow hedge movements:							
– net valuation taken to equity	(313)	128	(444)	–	–	–	(629)
– transferred to income statement	(163)	–	(227)	–	–	–	(390)
– taxation relating to components of other comprehensive income	23	(6)	65	–	–	–	82
Transfer to revenue reserves upon disposal of FVOCI equities	–	(39)	–	–	–	–	(39)
Capital contribution from non-controlling interests	–	–	–	–	–	3	3
Balance at 31 December	(68)	(56)	(210)	(331)	106	4,369	3,810

(a) Other reserves mainly relate to share premium of the Bank prior to the restructuring of the Bank under the Company pursuant to a scheme of arrangement under Section 210 of the Singapore Companies Act on 26 June 1999

In $ millions	The Company: Cash flow hedge reserves	Share plan reserves	Total
2022			
Balance at 1 January	**25**	**106**	**131**
Cost of share-based payments	**–**	**134**	**134**
Draw-down of reserves upon vesting of performance shares	**–**	**(124)**	**(124)**
Cash flow hedge movements:			
– net valuation taken to equity	**(113)**	**–**	**(113)**
– transferred to income statement	**(12)**	**–**	**(12)**
– taxation relating to components of other comprehensive income	**21**	**–**	**21**
Balance at 31 December	**(79)**	**116**	**37**
2021			
Balance at 1 January	68	89	157
Cost of share-based payments	–	134	134
Draw-down of reserves upon vesting of performance shares	–	(117)	(117)
Cash flow hedge movements:			
– net valuation taken to equity	(22)	–	(22)
– transferred to income statement	(43)	–	(43)
– taxation relating to components of other comprehensive income	22	–	22
Balance at 31 December	25	106	131

35.2 Revenue reserves

In $ millions	The Group 2022	The Group 2021
Balance at 1 January	**39,941**	35,886
Net profit attributable to shareholders	**8,193**	6,805
Other comprehensive income attributable to shareholders		
– Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	**115**	(32)
– Defined benefit plans remeasurements (net of tax)	**(1)**	(11)
– Transfer from FVOCI revaluation reserves upon disposal of FVOCI equities	**(137)**	39
Other movements	**25**	(13)
Sub-total	**48,136**	42,674
Less: Redemption of perpetual capital securities	**–**	(1)
Less: Final dividends on ordinary shares of $0.36 paid for the previous financial year (2021: $0.18 one-tier tax-exempt)	**926**	459
Interim dividends on ordinary shares of $1.08 paid for the current financial year (2021: $0.84 one-tier tax-exempt)	**2,778**	2,154
Dividends on other equity instruments	**85**	121
Balance at 31 December	**44,347**	39,941

35.3 Proposed dividends

Proposed final one-tier tax-exempt dividends on ordinary shares of $0.42 per share and one-tier tax-exempt special dividend of $0.50 per share have not been accounted for in the financial statements for the year ended 31 December 2022. This is to be approved at the Annual General Meeting on 31 March 2023.

36. Contingent Liabilities and Commitments

The Group issues guarantees, performance bonds and indemnities in the ordinary course of business. The majority of these facilities are offset by corresponding obligations of third parties.

Guarantees and performance bonds are generally written by the Group to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amount.

	The Group	
In $ millions	**2022**	**2021**
Guarantees on account of customers	**21,006**	22,855
Letters of credit and other obligations on account of customers	**16,663**	11,224
Undrawn credit commitments[(a)]	**364,998**	330,914
Forward starting transactions	**852**	501
Undisbursed and underwriting commitments in securities	**418**	537
Sub-total	**403,937**	366,031
Capital commitments	**134**	72
Total	**404,071**	366,103
Analysed by industry (excluding capital commitments)		
Manufacturing	**60,064**	56,053
Building and construction	**33,045**	30,096
Housing loans	**7,902**	8,541
General commerce	**66,883**	55,336
Transportation, storage and communications	**20,511**	19,892
Financial institutions, investment and holding companies	**49,638**	40,027
Professionals and private individuals (excluding housing loans)	**131,631**	123,249
Others	**34,263**	32,837
Total	**403,937**	366,031
Analysed by geography[(b)] (excluding capital commitments)		
Singapore	**159,784**	145,379
Hong Kong	**65,677**	62,373
Rest of Greater China	**50,479**	47,738
South and Southeast Asia	**36,016**	29,963
Rest of the World	**91,981**	80,578
Total	**403,937**	366,031

(a) Includes commitments that are unconditionally cancellable at any time by the Group (2022: $294,168 million; 2021: $264,953 million)
(b) Based on the location of incorporation of the counterparty or borrower

37. Financial Derivatives

37.1 Trading derivatives

Most of the Group's derivatives relate to sales and trading activities. Sales activities include the structuring and marketing of derivatives to customers to enable them to take, transfer, modify or reduce current or expected risks. Trading activities are entered into principally for dealer's margin or for the purpose of generating a profit from short-term fluctuations in price.

Trading includes mainly market-making and warehousing to facilitate customer orders. Market-making involves quoting bid and offer prices to other market participants with the intention of generating revenues based on spread and volume. Warehousing involves holding on to positions in order to liquidate in an orderly fashion with timing of unwinding determined by market conditions and traders' views of markets as they evolve.

37.2 Hedging derivatives

The accounting treatment of hedging derivatives varies according to the nature of the hedge and whether the hedge meets the specified criteria to qualify for hedge accounting. Derivatives transacted for economic hedges but do not qualify for hedge accounting are treated in the same way as derivative instruments held for trading purposes. Please refer to Note 39 for more details on derivatives used for hedging.

The following table summarises the contractual or underlying principal amounts of derivative financial instruments held or issued for trading and hedging purposes outstanding at balance sheet date. They do not represent amounts at risk.

In the financial statements, trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected as derivative assets or derivative liabilities. Derivative assets and liabilities arising from different transactions are only offset if the transactions are done with the same counterparty, a legal right of offset exists, and the parties intend to settle the cash flows on a net basis. There were no offset of derivative assets and liabilities in 2022 and 2021.

	The Group					
	2022			2021		
In $ millions	**Underlying notional**	**Assets**	**Liabilities**	**Underlying notional**	**Assets**	**Liabilities**
Interest rate derivatives						
Forward rate agreements	**2,718**	**261**	**18**	11,938	63	69
Interest rate swaps	**1,536,738**	**24,968**	**27,961**	1,328,830	9,175	9,456
Interest rate futures	**22,285**	**57**	**6**	20,306	15	3
Interest rate options	**44,881**	**1,282**	**1,146**	48,014	990	1,319
Sub-total	**1,606,622**	**26,568**	**29,131**	1,409,088	10,243	10,847
Foreign exchange (FX) derivatives						
FX contracts	**611,474**	**6,756**	**7,192**	522,921	3,515	3,609
Currency swaps	**238,615**	**9,070**	**7,324**	248,224	4,485	4,063
Currency options	**90,707**	**499**	**672**	72,669	237	288
Sub-total	**940,796**	**16,325**	**15,188**	843,814	8,237	7,960
Equity derivative contracts	**18,094**	**1,356**	**605**	22,227	795	1,243
Credit derivative contracts	**27,024**	**594**	**162**	24,265	351	222
Commodity derivative contracts	**7,802**	**92**	**179**	3,830	55	46
Gross total derivatives	**2,600,338**	**44,935**	**45,265**	2,303,224	19,681	20,318
Impact of netting arrangements recognised for computation of Capital Adequacy Ratio (CAR) (unaudited)		**(32,084)**	**(32,084)**		(12,932)	(12,932)
		12,851	**13,181**		6,749	7,386
Included in the above are derivatives held for:						
Fair value hedges						
Interest rate swaps	**16,483**	**546**	**508**	13,156	94	255
Currency swaps	**530**	**38**	**–**	425	1	17
Sub-total	**17,013**	**584**	**508**	13,581	95	272
Cash flow hedges						
Forward rate agreements	**42**	**3**	**–**	–	–	–
Interest rate swaps	**33,398**	**21**	**1,831**	17,329	9	223
FX contracts	**17,468**	**230**	**77**	6,743	69	44
Currency swaps	**20,917**	**1,242**	**647**	23,151	635	689
Sub-total	**71,825**	**1,496**	**2,555**	47,223	713	956
Net investment hedges						
FX contracts	**12,027**	**140**	**48**	7,217	43	11
Currency swaps	**–**	**–**	**–**	2,055	9	–
Sub-total	**12,027**	**140**	**48**	9,272	52	11
Total derivatives held for hedging	**100,865**	**2,220**	**3,111**	70,076	860	1,239

38. Interest Rate Benchmark Reform

In March 2021, the UK Financial Conduct Authority (FCA) announced the dates on which LIBOR would be discontinued. All GBP, CHF, EUR, JPY London Interbank Offered Rate (LIBOR) settings and the one-week and two-month USD LIBOR settings would lose representativeness or discontinue after 31 December 2021. The remaining USD LIBOR settings would lose representativeness or discontinue after 30 June 2023. In Singapore, as announced by the Steering Committee for SOR & SIBOR Transition to SORA (SC-STS) on 31 March 2021, Singapore Swap Offer Rate (SOR), which relies on USD LIBOR in its computation, would similarly be discontinued immediately after 30 June 2023 across all settings. The Singapore Interbank Offered Rate (SIBOR) would discontinue by end-2024, with 6-month SIBOR being discontinued immediately after 31 March 2022.

The Group's main interest rate benchmark exposures are USD LIBOR, SOR and SIBOR. USD LIBOR will be replaced by USD Secured Overnight Financing Rate (SOFR) while the replacement benchmark rate for SOR and SIBOR is Singapore Overnight Rate Average (SORA).

Changes in contractual cash flows of financial instruments
During the year, the Group continued to apply the practical expedients provided in SFRS(I) 9. These expedients require changes in the contractual cash flows of financial instruments that result solely from IBOR reform and are economically equivalent to be accounted for by updating the effective interest rate, rather than recognising an immediate gain or loss in the income statement.

Hedge accounting
During the year, the Group continued to apply SFRS (I) 9's hedge accounting reliefs relating to Interest Rate Benchmark Reform.

The key assumption made when performing hedge accounting is that both the hedged item and hedging instrument will be amended from existing IBORs to new Alternative Reference Rates (ARRs) at the same time. Where actual differences between those dates arise, hedge ineffectiveness will be recorded in the income statement.

How the Group is managing the transition to ARRs
A Group steering committee was established in 2019 to manage the impact of IBOR reform on the Group. The committee comprises senior representatives from Institutional Banking Group, Consumer Banking Group, Treasury Markets, Finance, Risk Management Group, Technology & Operations, Legal and Compliance and Group Strategic Marketing and Communications and is chaired by the Corporate Treasurer. The Terms of Reference of the committee are to review transition plans related to LIBOR and SOR discontinuation, SIBOR reform and other interest rate benchmark reform, to assess the Group's key risks across different scenarios, and to develop strategies to manage existing and new business in the context of these risks. Oversight of IBOR reform is provided by the Group Executive Committee and the Board Risk Management Committee.

As at 31 December 2022, changes required to systems, processes and models have been identified and have been substantially implemented. All contracts with interest rates that are pegged to GBP, CHF, EUR, JPY LIBOR or one-week and two-month tenors for USD LIBOR have been remediated. For contracts referencing SOR, SIBOR or the remaining USD LIBOR settings, the Group has begun its communication with relevant counterparties and contract remediation is ongoing.

The Group has identified that the risks arising from IBOR reform are:

- Risk of contractual disputes arising from the lack of legal clauses catering for the discontinuation of an interest rate benchmark, and its replacement with an ARR, or such clauses failing to operate as expected; and
- Risk of reputational harm due to poor customer management related to interest rate benchmark discontinuation, leading to loss of customer business.

These risks are mitigated through robust oversight by the Group steering committee. The Group will continue to identify and assess risks associated with IBOR reform.

Exposures impacted by IBOR reform
The table below provides an overview of significant IBOR-related exposure by interest rate benchmarks.

- The exposures disclosed are for positions with contractual maturities after the announced IBOR cessation dates[a].
- Non-derivative financial instruments are presented on the basis of their gross carrying amounts.
- Derivative financial instruments are presented by using their notional contract amounts and where derivatives have both pay and receive legs with exposure to IBOR reform, such as cross currency swaps, the notional contract amount is disclosed for both legs. As at 31 December 2022, there was $13,001 million (2021: $13,513 million) of cross currency swaps where both the pay and receive legs are impacted by IBOR reform.

	The Group			
In $ millions	SGD SOR	SGD SIBOR	USD LIBOR	Total
2022				
Non-derivative financial assets[b]	**10,316**	**5,723**	**21,677**	**37,716**
Non-derivative financial liabilities[c]	**254**	**–**	**1,010**	**1,264**
Derivatives (notional)	**49,907**	**–**	**388,718**	**438,625**
Of which: hedging derivatives[d]	**125**	**–**	**2,903**	**3,028**
2021				
Non-derivative financial assets[b]	20,606	8,234	25,272	54,112
Non-derivative financial liabilities[c]	256	–	1,018	1,274
Derivatives (notional)	51,312	–	376,816	428,128
Of which: hedging derivatives[d]	125	–	3,791	3,916

(a) The expected cessation date for USD LIBOR and SOR is 30 June 2023. 1-month and 3-month SIBOR will be discontinued by end of 2024
(b) Relates mainly to "Bank and corporates securities" and "Loans and advances to customers"
(c) Relates mainly to "Other debt securities" and "Subordinated term debts"
(d) Relates to derivatives that are designated for hedge accounting. The extent of the hedged risk exposure is reflected in the notional amounts of the derivatives

39. Hedge Accounting

The Group enters into hedging transactions to manage exposures to interest rate and foreign currency risks. Hedge accounting is applied to minimise volatility in earnings arising from changes in interest rate and foreign exchange rates.

Please refer to Risk Management section for more information on market risk and the Group's risk management practices and Note 2.19 for the Group's accounting policy for hedge accounting.

39.1 Fair value hedge

In accordance with the risk management strategy in place, the Group enters into interest rate swaps to mitigate the risk of changes in interest rates on the fair value of the following:

- issued fixed rate debt;
- fixed rate bonds; and
- exposures to corporate loans.

In such instances, the Group hedges the benchmark interest rate risk component which is an observable and reliably measurable component of interest rate risk. Specifically, the Group has designated fair value hedge relationships, on a hedge-by-hedge basis, to hedge against movements in the benchmark interest rate. This effectively results in the recognition of interest expense (for fixed rate liabilities), or interest income (for fixed rate assets) at floating rates. The Group also uses cross currency swaps when there is a need to hedge both interest rate and foreign exchange risks.

For risks not covered by hedge accounting, the Group manages these in accordance with its risk management strategy.

The Group assesses prospective hedge effectiveness by comparing the changes in fair value of the hedged item resulting from movements in the benchmark interest rate with the changes in fair value of the interest rate swaps used to hedge the exposure. The Group determines the hedge ratio by comparing the notional of the derivative with the principal of the debt issued or the bond asset purchased, or the loan granted.

The Group has identified the following possible sources of ineffectiveness:

- the use of derivatives as a protection against interest rate risk creates an exposure to the derivative counterparty's credit risk which is not offset by the hedged item. This risk is minimised by entering into derivatives with high credit quality counterparties;
- the use of different discounting curves when measuring the fair value of the hedged items and hedging instruments. For derivatives, the discounting curve used depends on collateralisation and the type of collateral used; and
- difference in the timing of settlement of hedging instruments and hedged items.

The Group typically uses foreign currency denominated borrowings/ deposits to fund its investments in non-SGD denominated FVOCI equity instruments. To reduce the accounting mismatch on the borrowings/ deposits and FVOCI equity instruments because of foreign exchange rate movements, the Group designates the borrowings/ deposits as the hedging instruments in fair value hedges of the FVOCI equity instruments. The hedge ratio is determined by comparing the principal of the borrowings/ deposits with the investment costs of the FVOCI equity instruments. A potential source of ineffectiveness is a decrease in the fair value of the equity instruments below their investment costs.

The following table sets out the maturity profile of the hedging instruments used in fair value hedges. The amounts shown in the table reflect the notional amounts of derivatives and the carrying amounts of borrowings and deposits. Please refer to Note 37 for the carrying values of the derivatives.

		The Group			
In $ millions	Type of risk hedged	Less than 1 year	1 to 5 years	More than 5 years	Total
2022					
Derivatives (notional)					
Interest rate swaps	Interest rate	**1,987**	**11,438**	**3,058**	**16,483**
Currency swaps	Interest rate & Foreign exchange	**104**	**426**	**–**	**530**
Total derivatives		**2,091**	**11,864**	**3,058**	**17,013**
Non-derivative instruments (e.g. borrowings, deposits)	Foreign exchange	**1,463**	**–**	**–**	**1,463**
Total non-derivative instruments		**1,463**	**–**	**–**	**1,463**
2021					
Derivatives (notional)					
Interest rate swaps	Interest rate	1,815	10,957	384	13,156
Currency swaps	Interest rate & Foreign exchange	94	331	–	425
Total derivatives		1,909	11,288	384	13,581
Non-derivative instruments (e.g. borrowings, deposits)	Foreign exchange	1,875	–	–	1,875
Total non-derivative instruments		1,875	–	–	1,875

The table below provides information on hedged items relating to fair value hedges.

	The Group			
	2022		2021	
In $ millions	Carrying amounts (including hedge adjustments)	Fair value hedge adjustments included in carrying amounts	Carrying amounts (including hedge adjustments)	Fair value hedge adjustments included in carrying amounts
Assets				
Loans and advances to customers	**786**	**(21)**	1,066	(1)
Government securities and treasury bills[(a)]	**1,204**	**(17)**	892	4
Bank and corporate securities[(a)]	**6,500**	**(13)**	7,531	(4)
Liabilities				
Subordinated term debts	**426**	**#**	460	7
Other debt securities	**8,451**	**(500)**	5,815	28

 # Amount under $500,000
(a) The carrying amounts of debt and equity instruments at fair value through other comprehensive income do not include fair value hedge adjustments as the hedged assets are measured at fair value. The accounting for the hedge relationship results in a transfer from other comprehensive income to the income statement for debt instruments

For the year ended 31 December 2022, the net gains on hedging instruments used to calculate hedge effectiveness was $121 million (2021: net gains of $167 million). The net losses on hedged items attributable to the hedged risk amounted to $118 million (2021: net losses of $166 million).

39.2 Cash flow hedge

The Group is predominantly exposed to variability in future cash flows due to interest rate movements and foreign currency fluctuations from the following:

- assets subject to repricing, reinvestment or refinancing risk;
- forecasted interest earnings denominated in foreign currency;
- issued floating or fixed rate foreign currency debt; and
- floating or fixed rate foreign currency bonds.

In accordance with the Group risk management strategy, the Group enters into interest rate swaps, foreign currency forwards and swaps, as well as cross currency swaps to protect against the variability of cash flows due to changes in interest rates and/ or foreign currency exchange rates.

In such instances, cash flow hedge relationships are designated. These are applied on a hedge-by-hedge basis or portfolio basis, for example:

- For cash flows from assets subject to repricing or reinvestment risk, a portfolio cash flow hedge relationship is designated using interest rate swaps. A dynamic process is applied for this hedge as the portfolio composition can change e.g. due to maturities and new originations. The portfolio cash flow hedge relationship effectively extends the duration of the assets, such that the interest cash flows are transformed from a floating rate basis to a fixed rate basis.
- Foreign currency forwards and swaps are used to hedge against variability in future cash flows arising from USD-denominated interest income, and to hedge against foreign exchange movements arising from a portfolio of foreign currency denominated assets and liabilities.
- Cross currency swaps are used to mitigate the risk of fluctuation of coupon and principal cash flows due to changes in foreign currency exchange rates of issued foreign currency debt and foreign currency bonds.
- Bond forwards are used to reduce exposures to foreign currency bonds.

For risks not covered by hedge accounting, the Group manages these in accordance with its risk management strategy.

The Group assesses hedge effectiveness by comparing the changes in fair value of a hypothetical derivative reflecting the terms of the hedged item due to movements in the hedged risk with the changes in fair value of the derivatives used to hedge the exposure.

The Group determines the hedge ratio by comparing the notional of the derivatives with the assets subject to repricing/ reinvestment/ refinancing risk or amount of forecast earnings denominated in foreign currency or the principal of the debt securities issued or purchased foreign currency bonds.

The Group has identified the following possible sources of ineffectiveness in its cash flow hedge relationships:

- the use of derivatives as a protection against currency and interest rate risk creates an exposure to the derivative counterparty's credit risk which is not offset by the hedged item. This risk is minimised by entering into derivatives with high credit quality counterparties;
- difference in tenor of hedged items and hedging instruments;
- difference in timing of settlement of the hedging instrument and hedged item; and
- designation of off-market hedging instruments.

The following table sets out the maturity profile of the hedging instruments used in cash flow hedges. The amounts shown in the table reflect the notional amounts of derivatives. Please refer to Note 37 for the carrying values of the derivatives.

		The Group			
In $ millions	Type of risk hedged	Less than 1 year	1 to 5 years	More than 5 years	Total
2022					
Derivatives (notional)					
Forward rate agreements	Foreign exchange	**–**	**–**	**42**	**42**
Interest rate swaps	Interest rate	**86**	**33,312**	**–**	**33,398**
FX contracts	Foreign exchange	**17,343**	**125**	**–**	**17,468**
Currency swaps	Interest rate & Foreign exchange	**8,842**	**6,830**	**5,245**	**20,917**
Total		**26,271**	**40,267**	**5,287**	**71,825**
2021					
Derivatives (notional)					
Interest rate swaps	Interest rate	–	16,314	1,015	17,329
FX contracts	Foreign exchange	6,423	320	–	6,743
Currency swaps	Interest rate & Foreign exchange	4,005	18,056	1,090	23,151
Total		10,428	34,690	2,105	47,223

The hedge ineffectiveness arising from these hedges was insignificant.

Please refer to Note 35 for information on the cash flow hedge reserves.

39.3 Net investment hedges

The Group manages currency risk of its net investment in foreign operations (or structural foreign exchange risk) using foreign currency borrowings, foreign currency forwards and swaps, as well as cross currency swaps.

Structural foreign exchange exposures are managed with the primary aim of ensuring that consolidated capital ratios are largely protected from the effect of fluctuations in foreign exchange rates against SGD.

Under the Group's hedging strategy, the carrying amount of these investments could be fully hedged, partially hedged or not hedged at all. The Group regularly reviews its hedging strategy, taking into account the long-term outlook of currency fundamentals and the impact of fluctuations in foreign exchange rates on capital adequacy ratios.

The table below analyses the currency exposure of the Group by functional currency.

		The Group	
In $ millions	**Net investments in foreign operations[(a)]**	**Financial instruments which hedge the net investments**	**Remaining unhedged currency exposures**
2022			
Hong Kong dollar	**10,262**	**4,451**	**5,811**
US dollar[(b)]	**9,331**	**5,706**	**3,625**
Chinese yuan	**4,277**	**269**	**4,008**
Taiwan dollar	**1,954**	**1,842**	**112**
Others	**5,618**	**–**	**5,618**
Total	**31,442**	**12,268**	**19,174**
2021			
Hong Kong dollar	9,934	2,298	7,636
US dollar[(b)]	9,829	6,150	3,679
Chinese yuan	4,424	296	4,128
Taiwan dollar	2,190	684	1,506
Others	4,276	–	4,276
Total	30,653	9,428	21,225

(a) Refers to net tangible assets of entities (e.g. subsidiaries, associates, joint ventures and overseas branches) or units with non-SGD functional currency
(b) Includes the Treasury Markets trading business in Singapore ("TM Singapore"). With effect from 1 January 2021, the functional currency of TM Singapore changed from SGD to US dollars (USD) to better reflect the increasing dominance of the USD in the business activities of TM Singapore

Please refer to Note 35 for information on the foreign currency translation reserves. Foreign currency translation reserves include the effect of translation differences on net investments in foreign entities (e.g. subsidiaries, associates, joint ventures and branches) or units with non-SGD functional currency and the related foreign currency financial instruments designated for hedge accounting.

40. Share-based Compensation Plans

As part of the Group's remuneration policy, the Group provides various share-based compensation plans to foster a culture that aligns employees' interests with shareholders', enable employees to share in the Group's performance and enhance talent retention.

Main Scheme/ Plan	Note
DBSH Share Plan (Share Plan)	
• The Share Plan is granted to Group executives as determined by the committee appointed to administer the Share Plan ("Committee") from time to time.	40.1
• Participants are awarded shares of the Company or, at the Committee's discretion, their equivalent cash value or a combination.	
• Awards consist of main award and retention award (20%/ 15% of main award) for employees on bonus/ sales incentive plans respectively. Dividends on unvested shares do not accrue to employees.	
• For employees on bonus plan, the main award vests from 2 to 4 years after grant i.e. 33% will vest 2 years after grant; another 33% will vest on the third year and the remaining 34% plus the retention award will vest 4 years after grant.	
• For employees on sales incentive plan, the main award vests from 1 to 3 years after grant; i.e. 33% will vest 1 year after grant, another 33% will vest on the second year and the remaining 34% plus the retention award will vest 3 years after grant.	
• Top performers and key employees are also awarded shares as part of talent retention. There are no additional retention awards for such shares granted. The shares are subject to the usual four-year vesting schedule.	
• The awards will lapse immediately upon termination of employment, except in the event of ill health, injury, disability, redundancy, retirement or death.	
• The market price of shares on the grant date is used to estimate the fair value of the shares awarded. The fair value of the shares granted includes an adjustment to exclude the present value of future expected dividends to be paid during the vesting period.	
• Vested and unvested shares are subject to clawback/ malus. Conditions that trigger such clawback/ malus are in the Remuneration Report section of the Annual Report.	
• Shares are awarded to non-executive Directors as part of director's remuneration. Details of these awards are disclosed in the Corporate Governance section of the Annual Report.	
The Directors reviewed the changes to the vesting schedule and retention award percentage on 5 December 2022. This includes a revision to the share and cash deferral proportions for Senior Management and Material Risk Personnel to be in line with regulatory and market practices. The changes will apply to the shares grant in 2023 and do not impact the 2022 financial statements.	
DBSH Employee Share Plan (ESP)	
• The Committee has ceased granting shares under the ESP effective from financial year 2018 remuneration. All outstanding ESP share grants have fully vested in 2022.	40.1
DBSH Employee Share Purchase Plan (ESPP)	
• The ESPP was implemented in 2019 in selective markets across the Group. All permanent employees who hold the rank of Vice President and below are eligible to participate in the scheme.	40.2
• The ESPP is a share ownership plan for eligible employees to own DBSH shares through monthly contributions via deductions from payroll or designated bank accounts.	
• Participants contribute up to 10% of month salary (minimum S$50, capped at S$1,000) and the Group will match 25% of the participant's contributions to buy DBSH ordinary shares for a period of 12 months during each plan year.	
• The matching shares bought from the Group's contribution will vest 24 months after the last contribution month for each plan year.	
• The matching shares will lapse immediately upon termination of employment, except in the event of ill health, injury, disability, redundancy, retirement or death.	

40.1 DBSH Share Plan and DBSH Employee Share Plan

The following table sets out the movements of the awards during the year.

	The Group			
	2022		2021	
Number of shares	Share Plan	ESP	Share Plan	ESP
Balance at 1 January	**17,105,292**	**145,804**	17,248,786	526,003
Granted	**5,068,826**	**–**	5,378,132	–
Vested	**(5,205,424)**	**(145,138)**	(5,209,973)	(362,363)
Forfeited/ others	**(830,274)**	**(666)**	(311,653)	(17,836)
Balance at 31 December	**16,138,420**	**–**	17,105,292	145,804
Weighted average fair value of the shares granted during the year	**$32.35**		$22.07	–

40.2 DBSH Employee Share Purchase Plan

The following table sets out the movements of the shares during the year.

	The Group	
Number of shares	2022	2021
Balance at 1 January	**1,403,440**	1,015,478
Granted	**503,737**	534,378
Vested[(a)]	**(446,839)**	(15,238)
Forfeited	**(140,207)**	(131,178)
Balance at 31 December	**1,320,131**	1,403,440
Weighted average fair value of the shares granted during the year	**$29.39**	$26.05

(a) Excludes shares vested but temporarily withheld under the regulatory requirement as of the reporting date. Such shares will be reported as vested in the period the shares are released to the employees

41. Related Party Transactions

41.1 Transactions between the Company and its subsidiaries, including consolidated structured entities, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this Note.

41.2 During the financial year, the Group had banking transactions with related parties, consisting of associates and joint ventures and key management personnel of the Group. These included the taking of deposits and extension of credit card and other loan facilities. These transactions were made in the ordinary course of business and carried out at arms-length commercial terms, and were not material.

In addition, key management personnel received remuneration for services rendered during the financial year. Non-cash benefits including performance shares were also granted.

41.3 Total compensation and fees to key management personnel[(a)] are as follows:

	The Group	
In $ millions	2022	2021
Short-term benefits[(b)]	**57**	51
Share-based payments[(c)]	**32**	28
Total	**89**	79
Of which: Company Directors' remuneration and fees	**19**	17

(a) Includes Company Directors and members of the Management Committee who have authority and responsibility in planning the activities and direction of the Group. The composition and number of Directors and Management Committee members may differ from year to year
(b) Includes cash bonus based on amount accrued during the year, to be paid in the following year
(c) Share-based payments are expensed over the vesting period in accordance with SFRS(I) 2

42. Fair Value of Financial Instruments

42.1 Valuation Process

The valuation processes within the Group are governed by the Valuation Policy, which is approved by the Board Audit Committee.

The Valuation Policy applies to all financial assets and liabilities that are measured at fair value, covering both market prices as well as model inputs. Financial assets and liabilities are marked directly using reliable and independent quoted market prices where available or by using reliable and independent market parameters (as model inputs) in conjunction with a valuation model.

Valuation models go through an assurance process carried out by the Risk Management Group (RMG), independent of the model developers. This assurance process covers the review of the underlying methodology including its logic and conceptual soundness together with the model inputs and outputs. Model assurances are conducted prior to implementation and subject to regular review or when there are significant changes arising from market or portfolio changes. Where necessary, the Group also imposes model reserves and other adjustments in determining fair value. Models are approved by the Group Market and Liquidity Risk Committee (GMLRC).

A process of independent price verification (IPV) is in place to establish the accuracy of the market parameters used when the marking is performed by the Front Office. The IPV process entails independent checks to compare traders' marks to independent sources such as broker/ dealer quotes or market consensus providers.

Where market parameters are sourced independently for the marking of financial assets and liabilities, or used as inputs into a valuation model, these are checked for reliability and accuracy, for example by reviewing large daily movements or by referencing other similar sources, or transactions.

Valuation adjustments and reserves are taken to account for close-out costs, model and market parameter uncertainty, and any other factor that may affect valuations. Valuation adjustment and reserve methodologies are approved by the GMLRC and governed by the Valuation Policy.

The valuation adjustments and reserves include but are not limited to:

Model and Parameter Uncertainty Adjustments

Valuation uncertainties may occur during fair value measurement either due to uncertainties in the required input parameters or uncertainties in the modelling methods used in the valuation process. In such situations, adjustments may be necessary to take these factors into account.

For example, where market data such as prices or rates for an instrument are no longer observable after an extended period of time, these inputs used to value the financial instruments may no longer be relevant in the current market conditions. In such situations, adjustments may be necessary to address the pricing uncertainty arising from the use of stale market data inputs.

Credit Valuation Adjustments

Credit valuation adjustments are taken to reflect the impact on fair value of counterparty credit risk. Credit valuation adjustments are based upon the creditworthiness of the counterparties, magnitude of the current or potential exposure on the underlying transactions, netting and collateral arrangements, and the maturity of the underlying transactions.

Funding Valuation Adjustments

Funding valuation adjustments represent an estimate of the adjustment to fair value that a market participant would make in incorporating funding costs and benefits that arise in relation to uncollateralised derivatives positions.

Day 1 Profit or Loss (P&L) Reserve

In situations where the market for an instrument is not active and its fair value is established using a valuation model based on significant unobservable market parameters, the Day 1 P&L arising from the difference in transacted price and end-of-day model valuation is set aside as reserves. A market parameter is defined as being significant when its impact on the Day 1 P&L is greater than an internally determined threshold. The Day 1 P&L reserve is released to the income statement when the parameters become observable or when the transaction is closed out or amortised over the duration of the transaction. At year end, the unamortised Day 1 P&L was not material.

Bid-Offer Adjustments

The Group often holds, at varying points in time, both long or short positions in financial instruments which are valued using mid-market levels. Bid-offer adjustments are then made to account for close-out costs.

42.2 Fair Value Hierarchy

The fair value hierarchy accords the highest level to observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities and the lowest level to unobservable inputs. The fair value measurement of each financial instrument is categorised in accordance with the same level of the fair value hierarchy as the input with the lowest level that is significant to the entire measurement. If unobservable inputs are deemed significant, the financial instrument will be categorised as Level 3.

Financial instruments that are valued using quoted prices in active markets are classified as Level 1 within the fair value hierarchy. These would include government and sovereign securities, listed equities and corporate debt securities which are actively traded. Derivatives contracts which are traded in an active exchange market are also classified as Level 1 of the valuation hierarchy.

Where fair value is determined using quoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group will determine the fair value based on valuation techniques that use market parameters as inputs including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data so that reliability of the fair value measurement is high. These would include corporate debt securities, repurchase, reverse repurchase agreements and most of the Group's over-the-counter (OTC) derivatives.

The Group classifies financial instruments as Level 3 when there is reliance on unobservable market parameters whether used directly to value a financial asset or liability, or used as inputs to a valuation model, attributing to a significant contribution to the instrument value. These would include all input parameters which are derived from historical data, for example, asset correlations or certain volatilities. Level 3 instruments also include unquoted equity securities which are measured based on the net asset value of the investments. In addition, Level 3 inputs include all stale quoted security prices and other approximations (e.g. bonds valued using credit default swap spreads).

The following tables present assets and liabilities measured at fair value, classified by level within the fair value hierarchy.

	The Group			
In $ millions	**Level 1**	**Level 2**	**Level 3**	**Total**
2022				
Assets				
Financial assets at FVPL				
– Government securities and treasury bills	**9,936**	**3,309**	**1**	**13,246**
– Bank and corporate securities	**16,843**	**4,516**	**170[(a)]**	**21,529**
– Other financial assets	**98**	**24,702**	**–**	**24,800**
FVOCI financial assets				
– Government securities and treasury bills	**25,781**	**2,377**	**–**	**28,158**
– Bank and corporate securities	**18,202**	**3,538**	**607[(b)]**	**22,347**
– Other financial assets	**–**	**5,623**	**–**	**5,623**
Derivatives	**70**	**44,714**	**151[(c)]**	**44,935**
Liabilities				
Financial liabilities at FVPL				
– Other debt securities	**–**	**8,143**	**–**	**8,143**
– Other financial liabilities	**2,300**	**17,681**	**1**	**19,982**
Derivatives	**19**	**45,245**	**1**	**45,265**

(a) Decrease in Level 3 balance was mainly due to sale of a bond which was priced using proxy valuation
(b) Increase in Level 3 balance was due to a new bond which was priced using proxy valuation
(c) Increase in Level 3 balance was due to an increase in market value of a total return swap whose underlying is illiquid

	The Group			
In $ millions	**Level 1**	**Level 2**	**Level 3**	**Total**
2021				
Assets				
Financial assets at FVPL				
– Government securities and treasury bills	8,425	4,259	–	12,684
– Bank and corporate securities	18,816	3,636	361	22,813
– Other financial assets	–	16,964	–	16,964
FVOCI financial assets				
– Government securities and treasury bills	15,811	2,114	–	17,925
– Bank and corporate securities	17,251	2,235	430	19,916
– Other financial assets	2	5,197	–	5,199
Derivatives	39	19,509	133	19,681
Liabilities				
Financial liabilities at FVPL				
– Other debt securities	–	10,726	–	10,726
– Other financial liabilities	2,626	6,469	1	9,096
Derivatives	21	20,296	1	20,318

The bank and corporate securities classified as Level 3 at 31 December 2022 comprised mainly securities which were marked using approximations, less liquid bonds and unquoted equity securities valued based on net asset value of the investments.

42.3 Own credit adjustments on financial liabilities designated at fair value through profit or loss

Changes in the fair value of financial liabilities designated at fair value through profit or loss related to the Group's own credit risk are recognised in other comprehensive income. As the Group does not hedge changes in own credit risk arising from financial liabilities, presenting the own credit movements within other comprehensive income does not create or increase an accounting mismatch in the income statement.

The change in fair value attributable to changes in own credit risk has been determined as the amount of change in fair value that is attributable to changes in funding spreads above benchmark interest rates. Fair value changes arising from factors other than the Group's own credit risk are insignificant.

The cumulative amounts attributable to changes in own credit risk for these financial liabilities as at 31 December 2022 was a gain of $66 million (2021: loss of $49 million).

Realised losses attributable to changes in own credit risk as at 31 December 2022 was a loss of $22 million (2021: loss of $22 million).

42.4 Financial assets & liabilities not carried at fair value

For financial assets and liabilities not carried at fair value in the financial statements, the Group has ascertained that their fair values were not materially different from their carrying amounts at year-end.

For cash and balances with central banks, due from banks, loans and advances to customers, as well as due to banks and deposits and balances from customers, the basis of arriving at fair values is by discounting cash flows using the relevant market interest rates for the respective currencies.

For investment debt securities, subordinated term debts and other debts issued, fair values are determined based on independent market quotes, where available. Where market prices are not available, fair values are estimated using discounted cash flow method.

The fair value of variable interest-bearing as well as short-term financial instruments accounted for at amortised cost is assumed to be approximated by their carrying amounts.

43. Credit Risk

43.1 Maximum exposure to credit risk

The following table shows the exposure to credit risk of on-balance sheet and off-balance sheet financial instruments, before taking into account any collateral held, other credit enhancements and netting arrangements. For on-balance sheet financial assets, the maximum credit exposure is the carrying amounts. For contingent liabilities, the maximum exposure to credit risk is the amount the Group would have to pay if the instrument is called upon. For undrawn facilities, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

	The Group	
In $ millions	**2022**	**2021**
On-balance sheet		
Cash and balances with central banks (excluding cash on hand)	**51,650**	54,237
Government securities and treasury bills	**64,995**	53,262
Due from banks	**60,131**	51,377
Derivatives	**44,935**	19,681
Bank and corporate debt securities	**62,667**	53,788
Loans and advances to customers	**414,519**	408,993
Other assets (excluding deferred tax assets)	**17,416**	15,268
	716,313	656,606
Off-balance sheet		
Contingent liabilities and commitments (excluding capital commitments)	**403,937**	366,031
Total	**1,120,250**	1,022,637

The Group's exposures to credit risk, measured using the expected gross credit exposures that will arise upon a default of the end obligor are as shown in the Group's Pillar 3 Disclosures (unaudited). These exposures, which include both on-balance sheet and off-balance sheet financial instruments, are shown without taking into account any collateral held or netting arrangements.

Analysis of Collateral

Whilst the Group's maximum exposure to credit risk is the carrying amount of the assets or, in the case of off-balance sheet instruments, the amount guaranteed, committed, accepted or endorsed, the likely exposure may be lower due to offsetting collateral, credit guarantees and other actions taken to mitigate the Group's exposure.

The description of collateral for each class of financial asset is set out below.

Balances with central banks, Government securities and treasury bills, Due from banks and Bank and corporate debt securities

Collateral is generally not sought for these assets.

Derivatives

The Group maintains collateral agreements and enters into master netting agreements with most of the counterparties for derivative transactions. Please refer to Note 37 for the impact of netting arrangements recognised for the computation of Capital Adequacy Ratio (CAR).

Loans and advances to customers, Contingent liabilities and commitments

Certain loans and advances to customers, contingent liabilities and commitments are typically collateralised to a substantial extent. In particular, residential mortgage exposures are generally fully secured by residential properties. Income-producing real estate, which is a sub-set of the Specialised Lending exposure, is fully secured by the underlying assets financed.

The extent to which credit exposures are covered by Basel eligible collateral, besides real estate, after the application of the requisite regulatory haircuts, is shown in the Group's Pillar 3 Disclosures (unaudited). The amounts are a sub-set of the actual collateral arrangements entered by the Group as Basel imposes strict legal and operational standards before collateral can be admitted as credit risk mitigants. As a result, certain collateral arrangements which do not meet its criteria will not be included. Certain collateral types which are not permitted as credit risk mitigants for credit exposures under the Standardised Approach are also excluded.

43.2 Loans and advances to customers

	The Group	
In $ millions	**2022**	**2021**
Performing Loans		
– Neither past due nor impaired	**412,989**	408,018
– Past due but not impaired	**2,536**	1,764
Non-Performing Loans (impaired)	**4,759**	5,290
Total gross loans	**420,284**	415,072
Pass	**411,573**	405,367
Special Mention	**3,952**	4,415
Substandard	**2,415**	2,848
Doubtful	**1,243**	1,192
Loss	**1,101**	1,250
Total gross loans	**420,284**	415,072

Non-performing assets (NPAs)

	The Group	
In $ millions	**2022**	**2021**
Balance at 1 January	**5,849**	6,686
Institutional Banking & Others		
– New NPAs	**1,157**	1,006
– Upgrades	**(155)**	(7)
– Net repayments	**(847)**	(1,338)
– Write-offs	**(619)**	(533)
Consumer Banking/ Wealth Management (net movement)	**(112)**	(47)
Exchange differences	**(148)**	82
Balance at 31 December	**5,125**	5,849

Non-performing assets by grading and industry

	The Group							
	NPAs				Specific allowances			
In $ millions	**Sub-standard**	**Doubtful**	**Loss**	**Total**	**Sub-standard**	**Doubtful**	**Loss**	**Total**
2022								
Manufacturing	**268**	**444**	**113**	**825**	**63**	**183**	**113**	**359**
Building and construction	**320**	**111**	**91**	**522**	**29**	**67**	**91**	**187**
Housing loans	**160**	**4**	**4**	**168**	**7**	**1**	**4**	**12**
General commerce	**254**	**232**	**372**	**858**	**25**	**219**	**372**	**616**
Transportation, storage and communications	**808**	**208**	**425**	**1,441**	**211**	**177**	**425**	**813**
Financial institutions, investment and holding companies	**26**	**–**	**40**	**66**	**10**	**–**	**40**	**50**
Professional and private individuals (excluding housing loans)	**321**	**31**	**10**	**362**	**82**	**30**	**10**	**122**
Others	**258**	**213**	**46**	**517**	**33**	**61**	**46**	**140**
Total non-performing loans	**2,415**	**1,243**	**1,101**	**4,759**	**460**	**738**	**1,101**	**2,299**
Debt securities, contingent liabilities and others	**166**	**128**	**72**	**366**	**29**	**106**	**72**	**207**
Total	**2,581**	**1,371**	**1,173**	**5,125**	**489**	**844**	**1,173**	**2,506**
Of which: restructured assets	**765**	**578**	**129**	**1,472**	**225**	**303**	**129**	**657**
2021								
Manufacturing	326	364	115	805	61	196	115	372
Building and construction	309	50	86	445	40	23	86	149
Housing loans	192	3	13	208	1	1	13	15
General commerce	268	269	374	911	45	243	374	662
Transportation, storage and communications	1,006	217	569	1,792	225	177	569	971
Financial institutions, investment and holding companies	32	37	24	93	6	20	24	50
Professional and private individuals (excluding housing loans)	376	29	14	419	80	27	14	121
Others	339	223	55	617	27	123	55	205
Total non-performing loans	2,848	1,192	1,250	5,290	485	810	1,250	2,545
Debt securities, contingent liabilities and others	198	119	242	559	37	102	242	381
Total	3,046	1,311	1,492	5,849	522	912	1,492	2,926
Of which: restructured assets	953	473	146	1,572	245	265	146	656

Non-performing assets by geography[(a)]

	The Group	
In $ millions	**NPAs**	**Specific allowances**
2022		
Singapore	**2,289**	**1,222**
Hong Kong	**794**	**374**
Rest of Greater China	**538**	**175**
South and Southeast Asia	**716**	**468**
Rest of the World	**422**	**60**
Total non-performing loans	**4,759**	**2,299**
Debt securities, contingent liabilities and others	**366**	**207**
Total	**5,125**	**2,506**
2021		
Singapore	2,873	1,434
Hong Kong	686	421
Rest of Greater China	343	78
South and Southeast Asia	1,151	555
Rest of the World	237	57
Total non-performing loans	5,290	2,545
Debt securities, contingent liabilities and others	559	381
Total	5,849	2,926

(a) Based on the location of incorporation of the borrower

Non-performing assets by past due period

	The Group	
In $ millions	**2022**	**2021**
Not overdue	**1,516**	1,415
Within 90 days	**324**	390
Over 90 to 180 days	**564**	209
Over 180 days	**2,721**	3,835
Total past due assets	**3,609**	4,434
Total	**5,125**	5,849

Secured non-performing assets by collateral type

	The Group	
In $ millions	**2022**	**2021**
Properties	**990**	1,112
Shares and debentures	**42**	42
Cash deposits	**18**	9
Others	**1,175**	1,507
Total	**2,225**	2,670

Past due non-performing assets by industry

	The Group	
In $ millions	**2022**	**2021**
Manufacturing	**470**	646
Building and construction	**505**	378
Housing loans	**146**	169
General commerce	**820**	873
Transportation, storage and communications	**1,037**	1,323
Financial institutions, investment and holding companies	**61**	90
Professional and private individuals (excluding housing loans)	**138**	162
Others	**276**	472
Total non-performing loans	**3,453**	4,113
Debt securities, contingent liabilities and others	**156**	321
Total	**3,609**	4,434

Past due non-performing assets by geography[(a)]

	The Group	
In $ millions	**2022**	**2021**
Singapore	**1,751**	2,182
Hong Kong	**717**	589
Rest of Greater China	**263**	229
South and Southeast Asia	**563**	1,041
Rest of the World	**159**	72
Total non-performing loans	**3,453**	4,113
Debt securities, contingent liabilities and others	**156**	321
Total	**3,609**	4,434

(a) Based on the location of incorporation of the borrower

43.3 Credit quality of Government securities and treasury bills and Bank and corporate debt securities

The table below presents an analysis of Government securities and treasury bills and Bank and corporate debt securities for the Group by external rating bands.

Analysed by external ratings In $ millions	The Group Singapore government securities and treasury bills (Gross)	Other government securities and treasury bills (Gross)	Bank and corporate debt securities (Gross)
2022			
AAA	**16,744**	**16,526**	**16,336**
AA- to AA+	**–**	**11,051**	**8,482**
A- to A+	**–**	**13,374**	**11,946**
Lower than A-	**–**	**7,304**	**9,446**
Unrated	**–**	**–**	**16,555**
Total	**16,744**	**48,255**	**62,765**
2021			
AAA	11,364	8,580	16,893
AA- to AA+	–	11,631	4,859
A- to A+	–	15,466	11,356
Lower than A-	–	6,225	8,363
Unrated	–	–	12,412
Total	11,364	41,902	53,883

43.4 Credit risk by geography and industry

Analysed by geography[(a)] In $ millions	The Group Government securities and treasury bills (Gross)	Due from banks (Gross)	Derivatives	Bank and corporate debt securities (Gross)	Loans and advances to customers (Gross)	Total
2022						
Singapore	**16,744**	**3,207**	**1,993**	**14,388**	**195,836**	**232,168**
Hong Kong	**4,486**	**6,402**	**1,700**	**1,569**	**71,845**	**86,002**
Rest of Greater China	**3,562**	**8,213**	**2,791**	**8,938**	**53,835**	**77,339**
South and Southeast Asia	**7,173**	**6,153**	**2,159**	**4,664**	**30,374**	**50,523**
Rest of the World	**33,034**	**36,168**	**36,292**	**33,206**	**68,394**	**207,094**
Total	**64,999**	**60,143**	**44,935**	**62,765**	**420,284**	**653,126**
2021						
Singapore	11,364	5,221	1,370	15,470	191,831	225,256
Hong Kong	4,586	7,889	1,168	1,222	70,216	85,081
Rest of Greater China	4,734	9,633	1,740	7,210	59,150	82,467
South and Southeast Asia	6,225	3,648	950	4,023	30,784	45,630
Rest of the World	26,357	24,993	14,453	25,958	63,091	154,852
Total	53,266	51,384	19,681	53,883	415,072	593,286

(a) Based on the location of incorporation of the issuer (for debt securities), counterparty (for derivatives), borrower (for loans) or the issuing bank in the case of bank backed export financing

Analysed by industry In $ millions	The Group Government securities and treasury bills (Gross)	Due from banks (Gross)	Derivatives	Bank and corporate debt securities (Gross)	Loans and advances to customers (Gross)	Total
2022						
Manufacturing	**–**	**–**	**462**	**4,065**	**45,758**	**50,285**
Building and construction	**–**	**–**	**624**	**5,114**	**111,605**	**117,343**
Housing loans	**–**	**–**	**–**	**–**	**80,625**	**80,625**
General commerce	**–**	**–**	**93**	**1,871**	**41,537**	**43,501**
Transportation, storage and communications	**–**	**–**	**480**	**4,901**	**31,466**	**36,847**
Financial institutions, investment and holding companies	**–**	**60,143**	**41,683**	**28,323**	**39,485**	**169,634**
Government	**64,999**	**–**	**–**	**–**	**–**	**64,999**
Professionals and private individuals (excluding housing loans)	**–**	**–**	**425**	**–**	**36,869**	**37,294**
Others	**–**	**–**	**1,168**	**18,491**	**32,939**	**52,598**
Total	**64,999**	**60,143**	**44,935**	**62,765**	**420,284**	**653,126**
2021						
Manufacturing	–	–	341	3,604	41,831	45,776
Building and construction	–	–	645	5,366	107,633	113,644
Housing loans	–	–	–	–	78,516	78,516
General commerce	–	–	112	2,066	44,642	46,820
Transportation, storage and communications	–	–	310	4,379	30,963	35,652
Financial institutions, investment and holding companies	–	51,384	16,608	23,860	37,289	129,141
Government	53,266	–	–	–	–	53,266
Professionals and private individuals (excluding housing loans)	–	–	350	–	40,114	40,464
Others	–	–	1,315	14,608	34,084	50,007
Total	53,266	51,384	19,681	53,883	415,072	593,286

44. Liquidity Risk

44.1 Contractual maturity profile of assets and liabilities

The table below analyses assets and liabilities of the Group as at 31 December based on the remaining period as at balance sheet date to the contractual maturity date.

	The Group								
In $ millions	**Less than 7 days**	**1 week to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**	**No specific maturity**	**Total**
2022									
Cash and balances with central banks	**18,714**	**12,149**	**21,106**	**1,690**	**511**	**–**	**–**	**–**	**54,170**
Government securities and treasury bills	**1,987**	**1,971**	**9,500**	**10,952**	**15,231**	**8,587**	**16,767**	**–**	**64,995**
Due from banks	**21,769**	**13,356**	**10,902**	**13,701**	**155**	**248**	**–**	**–**	**60,131**
Derivatives[(a)]	**44,935**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**44,935**
Bank and corporate securities	**–**	**851**	**2,447**	**7,757**	**20,012**	**14,181**	**17,419**	**12,790**	**75,457**
Loans and advances to customers	**30,735**	**65,913**	**53,316**	**56,630**	**82,641**	**46,335**	**78,949**	**–**	**414,519**
Other assets	**11,843**	**978**	**1,834**	**1,839**	**118**	**47**	**40**	**1,604**	**18,303**
Associates and joint ventures	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,280**	**2,280**
Properties and other fixed assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,238**	**3,238**
Goodwill and intangibles	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5,340**	**5,340**
Total assets	**129,983**	**95,218**	**99,105**	**92,569**	**118,668**	**69,398**	**113,175**	**25,252**	**743,368**
Due to banks	**18,079**	**9,085**	**5,426**	**5,191**	**1,903**	**–**	**–**	**–**	**39,684**
Deposits and balances from customers	**353,495**	**58,839**	**69,904**	**40,647**	**2,819**	**552**	**744**	**–**	**527,000**
Derivatives[(a)]	**45,265**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**45,265**
Other liabilities	**12,589**	**995**	**2,795**	**2,253**	**746**	**145**	**322**	**2,902**	**22,747**
Other debt securities	**1,689**	**5,493**	**14,742**	**8,821**	**8,532**	**4,666**	**1,868**	**1,377**	**47,188**
Subordinated term debts	**–**	**251**	**–**	**–**	**–**	**101**	**4,060**	**–**	**4,412**
Total liabilities	**431,117**	**74,663**	**92,867**	**56,912**	**14,000**	**5,464**	**6,994**	**4,279**	**686,296**
Non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**185**	**185**
Shareholders' funds	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**56,887**	**56,887**
Total equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**57,072**	**57,072**
2021									
Cash and balances with central banks	18,190	17,173	17,904	1,973	1,137	–	–	–	56,377
Government securities and treasury bills	823	2,416	5,252	6,575	12,445	8,259	17,492	–	53,262
Due from banks	23,025	9,950	8,200	9,613	589	–	–	–	51,377
Derivatives[(a)]	19,681	–	–	–	–	–	–	–	19,681
Bank and corporate securities	–	885	2,161	7,989	17,097	11,247	14,409	15,904	69,692
Loans and advances to customers	39,873	66,763	38,870	62,213	80,655	49,279	71,340	–	408,993
Other assets	10,206	718	1,371	2,082	135	22	23	1,338	15,895
Associates and joint ventures	–	–	–	–	–	–	–	2,172	2,172
Properties and other fixed assets	–	–	–	–	–	–	–	3,262	3,262
Goodwill and intangibles	–	–	–	–	–	–	–	5,362	5,362
Total assets	111,798	97,905	73,758	90,445	112,058	68,807	103,264	28,038	686,073
Due to banks	12,093	7,523	3,670	2,155	4,767	1	–	–	30,209
Deposits and balances from customers	407,760	33,002	35,031	22,995	1,616	769	786	–	501,959
Derivatives[(a)]	20,318	–	–	–	–	–	–	–	20,318
Other liabilities	8,137	1,136	2,443	2,831	379	143	312	3,286	18,667
Other debt securities	1,277	6,648	15,840	14,291	5,090	3,795	3,406	2,223	52,570
Subordinated term debts	–	–	–	–	–	118	4,518	–	4,636
Total liabilities	449,585	48,309	56,984	42,272	11,852	4,826	9,022	5,509	628,359
Non-controlling interests	–	–	–	–	–	–	–	188	188
Shareholders' funds	–	–	–	–	–	–	–	57,526	57,526
Total equity	–	–	–	–	–	–	–	57,714	57,714

(a) Derivative financial assets and liabilities are included in the "Less than 7 days" bucket as they are mainly held for trading. Please refer to the tables in Note 39 for the maturity profile of hedging derivatives

The above table includes disclosure of the contractual maturity of financial liabilities, which approximates the same analysis on an undiscounted basis, as total future interest payments are not material relative to the principal amounts. Assets and liabilities (including non-maturing savings/current deposits) are represented on a contractual basis or in a period when it can legally be withdrawn. The cash flows of assets and liabilities may behave differently from their contractual terms.

44.2 Contingent liabilities and commitments

The table below shows the Group's contingent liabilities and commitments based on the remaining period as at the balance sheet date to contractual expiry date.

	The Group				
In $ millions	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
2022					
Guarantees, letters of credit and other contingent liabilities	**37,669**	**–**	**–**	**–**	**37,669**
Undrawn credit commitments[(a)] and other facilities	**318,487**	**23,247**	**21,288**	**3,246**	**366,268**
Capital commitments	**61**	**32**	**41**	**–**	**134**
Total	**356,217**	**23,279**	**21,329**	**3,246**	**404,071**
2021					
Guarantees, letters of credit and other contingent liabilities	34,079	–	–	–	34,079
Undrawn credit commitments[(a)] and other facilities	288,383	21,699	18,224	3,646	331,952
Capital commitments	16	37	19	–	72
Total	322,478	21,736	18,243	3,646	366,103

(a) Includes commitments that are unconditionally cancellable at any time by the Group

The Group expects that not all of the contingent liabilities will be called upon and not all of the undrawn credit commitments will be drawn before expiry.

45. Capital Management

The Board is responsible for setting the Group's capital management objective, which is to maintain a strong capital position consistent with regulatory requirements under the MAS Notice to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore" (MAS Notice 637) and MAS Notice FHC-N637, and the expectations of various stakeholders, including customers, investors and rating agencies. The Board articulates this objective in the form of capital targets. This objective is pursued while delivering returns to shareholders and ensuring that adequate capital resources are available for business growth and investment opportunities as well as adverse situations, taking into consideration the Group's strategic plans and risk appetite.

The Group's capital management objective is implemented via a capital management and planning process that is overseen by the Capital Committee. The Chief Financial Officer chairs the Capital Committee. The Capital Committee receives regular updates on the Group's current and projected capital positions. A key tool for capital planning is the annual Internal Capital Adequacy Assessment Process (ICAAP) through which the Group assesses its forecast capital supply and demand relative to regulatory requirements and internal capital targets. The ICAAP generally has a three-year horizon and covers various scenarios, including stress scenarios of differing scope and severity.

The Group is subject to and has complied with the capital adequacy requirements set out in the MAS Notice FHC-N637, which effects the Basel Committee on Banking Supervision's capital adequacy framework in Singapore, throughout the year. The Group's capital adequacy ratios as at 31 December 2022 and 2021 have been subject to an external limited assurance review, pursuant to the MAS Notice FHC-N609 "Auditor's Report and Additional Information to be submitted with Annual Accounts".

For more information, please refer to the Group's Pillar 3 disclosures (unaudited) published on DBS website (https://www.dbs.com/investors/default.page).

46. Segment Reporting

46.1 Business segment reporting

The business segment results are prepared based on the Group's internal management reporting which reflects the organisation's management structure. As the activities of the Group are highly integrated, internal allocation has been made in preparing the segment information. Amounts for each business segment are shown after the allocation of certain centralised costs, funding income and the application of transfer pricing, where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

The Group's various business segments are described below.

Consumer Banking/ Wealth Management
Consumer Banking/ Wealth Management provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, loans and home finance, cards, payments, investment and insurance products.

Institutional Banking
Institutional Banking provides financial services and products to institutional clients including bank and non-bank financial institutions, government-linked companies, large corporates and small and medium-sized businesses. The business focuses on broadening and deepening customer relationships. Products and services comprise the full range of credit facilities from short-term working capital financing to specialised lending. It also provides global transactional services such as cash management, trade finance and securities and fiduciary services, treasury and markets products, corporate finance and advisory banking as well as capital markets solutions.

Treasury Markets
Treasury Markets' activities primarily include structuring, market-making and trading across a broad range of treasury products.

Income from sale of treasury products offered to customers of Consumer Banking/ Wealth Management and Institutional Banking is not reflected in the Treasury Markets segment, but in the respective customer segments.

Others
The Others segment encompasses the results of corporate decisions that are not attributed to business segments. It includes earnings on capital deployed into high quality assets, earnings from non-core asset sales and certain other head office items such as centrally-managed credit allowances. DBS Vickers Securities is also included in this segment.

The following table analyses the results, total assets and total liabilities of the Group by business segment.

	The Group				
In $ millions	**Consumer Banking/ Wealth Management**	**Institutional Banking**	**Treasury Markets**	**Others**	**Total**
2022					
Net interest income	**4,270**	**5,569**	**222**	**880**	**10,941**
Net fee and commission income	**1,783**	**1,293**	**–**	**15**	**3,091**
Other non-interest income	**601**	**826**	**952**	**91**	**2,470**
Total income	**6,654**	**7,688**	**1,174**	**986**	**16,502**
Total expenses	**3,803**	**2,254**	**619**	**414**	**7,090**
Allowances for credit and other losses	**158**	**(204)**	**(10)**	**293**	**237**
Share of profits or losses of associates and joint ventures	**–**	**–**	**4**	**203**	**207**
Profit before tax	**2,693**	**5,638**	**569**	**482**	**9,382**
Income tax expense and non-controlling interest					**1,189**
Net profit attributable to shareholders					**8,193**
Total assets before goodwill and intangibles	**126,394**	**326,469**	**204,972**	**80,193**	**738,028**
Goodwill and intangibles					**5,340**
Total assets					**743,368**
Total liabilities	**282,578**	**228,827**	**118,800**	**56,091**	**686,296**
Capital expenditure	**151**	**37**	**26**	**455**	**669**
Depreciation	**33**	**4**	**3**	**661**	**701**
2021					
Net interest income	2,548	3,999	783	1,110	8,440
Net fee and commission income	2,186	1,282	–	56	3,524
Other non-interest income	588	703	726	207	2,224
Total income	5,322	5,984	1,509	1,373	14,188
Total expenses	3,353	2,086	647	483	6,569
Allowances for credit and other losses	46	141	(5)	(130)	52
Share of profits or losses of associates and joint ventures	–	–	–	213	213
Profit before tax	1,923	3,757	867	1,233	7,780
Income tax expense and non-controlling interest					975
Net profit attributable to shareholders					6,805
Total assets before goodwill and intangibles	127,268	313,180	163,554	76,709	680,711
Goodwill and intangibles					5,362
Total assets					686,073
Total liabilities	267,870	211,613	88,840	60,036	628,359
Capital expenditure	125	23	19	400	567
Depreciation	42	7	3	617	669

(a) The contribution of Lakshmi Vilas Bank (LVB), which was reflected under Others segment has been aligned with the Group's business segment definition with effect from 1 January 2022. The customer loans and deposits of $1.5 billion and $3.4 billion from LVB as at 1 January 2022 have been reclassified from the Others segment to the Consumer Banking/ Wealth Management (loans: $0.9 billion; deposits: $2.7 billion) and Institutional Banking (loans: $0.6 billion; deposits: $0.7 billion) segments. The contribution of LVB to the profit or loss of the respective segments was not material in 2021

46.2 Geographical segment reporting[a]

The Group's performance by geography includes net revenues and expenses from internal and external counterparties. The performance by geography is classified based on the location in which income and assets are recorded, while some items such as centrally-managed credit allowances and technology-related services are reflected in Singapore. Hong Kong comprises mainly DBS Bank (HK) Limited and DBS HK branch. Rest of Greater China comprises mainly DBS Bank (China) Ltd, DBS Bank (Taiwan) Ltd and DBS Taipei branch. South and Southeast Asia comprises mainly PT Bank DBS Indonesia, DBS Bank India Limited and DBS Labuan branch. All results are prepared in accordance with SFRS(I).

	The Group					
In $ millions	**Singapore**	**Hong Kong**	**Rest of Greater China**	**South and Southeast Asia**	**Rest of the World**	**Total**
2022						
Net interest income	**6,985**	**1,844**	**768**	**893**	**451**	**10,941**
Net fee and commission income	**1,943**	**672**	**176**	**230**	**70**	**3,091**
Other non-interest income	**1,716**	**407**	**219**	**55**	**73**	**2,470**
Total income	**10,644**	**2,923**	**1,163**	**1,178**	**594**	**16,502**
Total expenses	**4,089**	**1,137**	**851**	**894**	**119**	**7,090**
Allowances for credit and other losses	**(33)**	**56**	**106**	**3**	**105**	**237**
Share of profits or losses of associates and joint ventures	**25**	**–**	**179**	**–**	**3**	**207**
Profit before tax	**6,613**	**1,730**	**385**	**281**	**373**	**9,382**
Income tax expense and non-controlling interest	**713**	**285**	**45**	**72**	**74**	**1,189**
Net profit attributable to shareholders	**5,900**	**1,445**	**340**	**209**	**299**	**8,193**
Total assets before goodwill and intangibles	**491,852**	**107,879**	**60,303**	**28,900**	**49,094**	**738,028**
Goodwill and intangibles	**5,133**	**29**	**–**	**178**	**–**	**5,340**
Total assets	**496,985**	**107,908**	**60,303**	**29,078**	**49,094**	**743,368**
Non-current assets[b]	**3,957**	**648**	**579**	**314**	**20**	**5,518**
2021						
Net interest income	5,156	1,392	755	707	430	8,440
Net fee and commission income	2,228	776	202	241	77	3,524
Other non-interest income	1,520	312	207	177	8	2,224
Total income	8,904	2,480	1,164	1,125	515	14,188
Total expenses	3,789	1,057	822	781	120	6,569
Allowances for credit and other losses	(14)	7	59	80	(80)	52
Share of profits or losses of associates and joint ventures	39	–	174	–	–	213
Profit before tax	5,168	1,416	457	264	475	7,780
Income tax expense and non-controlling interest	507	226	47	60	135	975
Net profit attributable to shareholders	4,661	1,190	410	204	340	6,805
Total assets before goodwill and intangibles	449,612	106,187	58,926	26,580	39,406	680,711
Goodwill and intangibles	5,133	29	–	200	–	5,362
Total assets	454,745	106,216	58,926	26,780	39,406	686,073
Non-current assets[b]	3,856	688	498	365	27	5,434

(a) With effect from 2022, technology development centres will be presented under 'Singapore'. Comparatives have been restated
(b) Investments in associates and joint ventures, properties and other fixed assets

DBS Bank Ltd
Income statement
for the year ended 31 December 2022

		Bank	
In $ millions	**Note**	**2022**	**2021**
Income			
Interest income		**11,984**	7,117
Interest expense		**4,092**	1,109
Net interest income		**7,892**	6,008
Net fee and commission income		**2,166**	2,441
Net trading income		**1,964**	1,286
Net income from investment securities		**96**	320
Other income	2	**331**	530
Non-interest income		**4,557**	4,577
Total income		**12,449**	10,585
Employee benefits		**2,675**	2,366
Other expenses		**1,764**	1,749
Total expenses		**4,439**	4,115
Profit before allowances		**8,010**	6,470
Allowances for credit and other losses		**92**	(118)
Profit before tax		**7,918**	6,588
Income tax expense		**878**	713
Net profit attributable to shareholders		**7,040**	5,875

(see notes on pages 186 to 188 which form part of these financial statements)

DBS Bank Ltd

Statement of comprehensive income

for the year ended 31 December 2022

In $ millions	Bank 2022	Bank 2021
Net profit	**7,040**	5,875
Other comprehensive income:		
Items that may be reclassified subsequently to income statement:		
Translation differences for foreign operations	**(216)**	27
(Losses)/ gains on debt instruments classified at fair value through other comprehensive income:		
Net valuation taken to equity	**(1,530)**	(280)
Transferred to income statement	**117**	(97)
Taxation relating to components of other comprehensive income	**77**	17
Cash flow hedge movements		
Net valuation taken to equity	**(1,703)**	(298)
Transferred to income statement	**(100)**	(152)
Taxation relating to components of other comprehensive income	**80**	18
Items that will not be reclassified to income statement:		
(Losses)/ gains on equity instruments classified at fair value through other comprehensive income (net of tax)	**(422)**	111
Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	**115**	(32)
Other comprehensive income, net of tax	**(3,582)**	(686)
Total comprehensive income attributable to shareholders	**3,458**	5,189

(see notes on pages 186 to 188 which form part of these financial statements)

DBS Bank Ltd

Balance sheet

as at 31 December 2022

In $ millions	Note	Bank 2022	Bank 2021
Assets			
Cash and balances with central banks		**45,751**	48,688
Government securities and treasury bills		**44,946**	37,816
Due from banks		**53,653**	43,857
Derivatives		**43,517**	18,364
Bank and corporate securities		**66,063**	63,380
Loans and advances to customers		**326,983**	325,734
Other assets		**13,917**	11,532
Associates and joint ventures		**1,386**	1,272
Subsidiaries	3	**35,823**	28,545
Due from holding company		**1,119**	718
Properties and other fixed assets		**1,897**	1,806
Goodwill and intangibles		**334**	334
Total assets		**635,389**	582,046
Liabilities			
Due to banks		**32,812**	24,087
Deposits and balances from customers		**408,290**	387,824
Derivatives		**43,286**	18,880
Other liabilities		**16,668**	12,858
Other debt securities		**40,918**	45,066
Due to holding company		**7,276**	8,776
Due to subsidiaries		**36,354**	34,439
Total liabilities		**585,604**	531,930
Net assets		**49,785**	50,116
Equity			
Share capital	4	**24,452**	24,452
Other equity instruments	5	**2,396**	2,396
Other reserves	6	**(3,980)**	(425)
Revenue reserves	6	**26,917**	23,693
Shareholders' funds		**49,785**	50,116
Total equity		**49,785**	50,116

(see notes on pages 186 to 188 which form part of these financial statements)

DBS Bank Ltd

Notes to the supplementary financial statements

for the year ended 31 December 2022

The supplementary financial statements of DBS Bank Ltd (the Bank) are extracted from the Audited Statutory Financial Statements of DBS Bank Ltd and its subsidiaries (the Bank Group) for the financial year ended 31 December 2022. The statutory financial statements of the Bank and the Bank Group which contained an unqualified audit report, will be delivered to the Accounting & Corporate Regulatory Authority in accordance with the Singapore Companies Act.

1. Summary of Significant Accounting Policies

The accounting policies applied by the Bank and the Bank Group are consistent with those applied by the Group as disclosed in Note 2 of the "Notes to the financial statements" (Notes) in the Group's Consolidated Financial Statements.

2. Other Income

Other income includes the following:

In $ millions	2022	2021
Dividends from subsidiaries	**225**	475
Dividends from associates	**65**	16
Total	**290**	491

3. Subsidiaries

In $ millions	2022	2021
Investment in subsidiaries[(a)]		
Ordinary shares	**13,065**	12,958
Due from subsidiaries		
Other receivables	**22,758**	15,587
Total	**35,823**	28,545

(a) The carrying amounts of certain investments which are designated as hedged items in a fair value hedge are adjusted for fair value changes attributable to the hedged risks

4. Share Capital

	Shares ('000)		In $ millions	
	2022	2021	2022	2021
Ordinary shares	**2,626,196**	2,626,196	**24,452**	24,452
Issued share capital at 31 December			**24,452**	24,452

5. Other Equity Instruments

The following perpetual capital securities issued by the Bank are classified as other equity instruments. These instruments are subordinated to all liabilities of the Bank and senior only to ordinary shareholders of the Bank. Their terms require them to be written-off if and when the Monetary Authority of Singapore notifies the Bank that a write-off of the instruments, or a public sector injection of capital (or equivalent support), is necessary, without which the Bank Group or the DBSH Group (DBSH and its subsidiaries) would become non-viable. These instruments qualify as Additional Tier 1 capital under MAS Notice 637.

In $ millions	Issue Date	Distribution Payment	2022	2021
Issued by the Bank				
SGD 1,000m 3.98% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025	12 Sep 2018	Mar/ Sep	**1,000**	1,000
USD 1,000m 3.30% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025	27 Feb 2020	Feb/ Aug	**1,396**	1,396
Total			**2,396**	2,396

6. Other Reserves and Revenue Reserves

6.1 Other reserves

In $ millions	2022	2021
FVOCI revaluation reserves (debt)	**(1,415)**	(79)
FVOCI revaluation reserves (equity)	**(394)**	(114)
Cash flow hedge reserves	**(1,910)**	(187)
Foreign currency translation reserves	**(261)**	(45)
Total	**(3,980)**	(425)

Movements in other reserves during the year are as follows:

In $ millions	FVOCI revaluation reserves (debt)	FVOCI revaluation reserves (equity)	Cash flow hedge reserves	Foreign currency translation reserves	Total
2022					
Balance at 1 January	**(79)**	**(114)**	**(187)**	**(45)**	**(425)**
Net exchange translation adjustments	**–**	**–**	**–**	**(216)**	**(216)**
FVOCI financial assets and cash flow hedge movements:					
– net valuation taken to equity	**(1,530)**	**(437)**	**(1,703)**	**–**	**(3,670)**
– transferred to income statement	**117**	**–**	**(100)**	**–**	**17**
– taxation relating to components of other comprehensive income	**77**	**15**	**80**	**–**	**172**
Transfer to revenue reserves upon disposal of FVOCI equities	**–**	**142**	**–**	**–**	**142**
Balance at 31 December	**(1,415)**	**(394)**	**(1,910)**	**(261)**	**(3,980)**
2021					
Balance at 1 January	281	(190)	245	(72)	264
Net exchange translation adjustments	–	–	–	27	27
FVOCI financial assets and cash flow hedge movements:					
– net valuation taken to equity	(280)	117	(298)	–	(461)
– transferred to income statement	(97)	–	(152)	–	(249)
– taxation relating to components of other comprehensive income	17	(6)	18	–	29
Transfer to revenue reserves upon disposal of FVOCI equities	–	(35)	–	–	(35)
Balance at 31 December	(79)	(114)	(187)	(45)	(425)

6.2 Revenue reserves

In $ millions	2022	2021
Balance at 1 January	**23,693**	19,952
Redemption of perpetual capital securities	**–**	6
Net profit attributable to shareholders	**7,040**	5,875
Other comprehensive income attributable to shareholders		
– Transfer from FVOCI revaluation reserves upon disposal of FVOCI equities	**(142)**	35
– Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	**115**	(32)
Sub-total	**30,706**	25,836
Less: Dividends paid to holding company	**3,789**	2,143
Balance at 31 December	**26,917**	23,693