

Remuneration report

We believe that our long-term success depends in large measure on the contributions of our employees. Our remuneration framework is designed to be consistent with market best practices, drive business strategy and create long-term shareholder value. Remuneration policies and practices as set out in the following report are governed by a set of sound principles which are in compliance with various regulatory requirements.

1 Objectives of DBS remuneration strategy

DBS' remuneration policy, which is applicable to DBS Bank and all our subsidiaries and overseas offices, seeks to ensure that we are able to attract, motivate and retain employees to deliver long-term shareholder returns, taking into consideration risk management principles and standards set out by the Financial Stability Board (FSB) and the Code of Corporate Governance.

When formulating our remuneration strategy, consideration was given to aligning our remuneration approach with DBS PRIDE!® values in order to drive desired behaviours and achieve the objectives set out in our balanced scorecard.

The following shows the three main thrusts of our remuneration strategy and how they are implemented within DBS:

Main thrusts	Details
Pay for performance as measured against balanced scorecard	<ul style="list-style-type: none"> • Instill and drive a pay-for-performance culture • Ensure close linkage between total compensation and our annual and long-term business objectives as measured by our balanced scorecard • Calibrate mix of fixed and variable pay to drive sustainable performance that is aligned to DBS PRIDE! values, taking into account both "what" and "how" key performance indicators (KPIs) are achieved
Provide market competitive pay	<ul style="list-style-type: none"> • Benchmark our total compensation against other organisations of similar size and standing in the markets we operate in • Drive performance differentiation by benchmarking total compensation for top performing employees against the upper quartile or higher in each market
Guard against excessive risk-taking	<ul style="list-style-type: none"> • Focus on achieving risk-adjusted returns that are consistent with prudent risk and capital management, as well as emphasise long-term sustainable outcomes • Design payout structure to align incentive payments with the long-term performance of the Group through deferral and clawback arrangements • Design sales incentive plans to encourage the right sales behaviour

* Read more on DBS PRIDE! values on page 69.

2 Summary of current total compensation elements

The table below provides a description of total compensation elements, their purpose and implementation:

Elements	Purpose	Details
Salary	<ul style="list-style-type: none"> Attract and retain talent by ensuring our fixed pay is competitive vis-à-vis comparable institutions 	<ul style="list-style-type: none"> Set at an appropriate level, taking into account market dynamics as well as the skills, experience, responsibilities, competencies and performance of the employee Typically reviewed annually
Cash bonus and deferred awards	<ul style="list-style-type: none"> Provide a portion of total compensation that is performance-linked Focus employees on the achievement of objectives which are aligned to value creation for our shareholders and multiple stakeholders Align to time horizon of risk 	<ul style="list-style-type: none"> Based on DBS, business or support unit, and individual performance Measured against a balanced scorecard which is agreed to at the start of the year A Group-wide deferral approach is applicable for all employees. Awards in excess of a certain threshold are subject to a tiered deferral rate with a minimum deferred quantum For Senior Management (SM) and Material Risk Personnel (MRP i.e. employees whose actions have a material impact on the risk exposure of the bank), awards are generally deferred by a minimum of 40% if it exceeds a certain threshold subject to local regulatory requirements

3 Determination of variable pay pool

The variable pay pool is derived from a combination of a bottom-up and top-down approach. It is underpinned by our aim to drive a pay-for-performance culture which is aligned to our risk framework.

Process	Details
Determining total variable pay pool	<ul style="list-style-type: none"> A function of our overall balanced scorecard and benchmarked against market. The scorecard includes substantial risk and control metrics designed and evaluated by the control functions such as Audit, Compliance and Risk. Control functions therefore have a direct role in determining the size of the variable pay pool. <p>The variable pay pool is further calibrated against the following prisms:</p> <ul style="list-style-type: none"> Risk adjustment through review of Return on Risk-Adjusted Capital (RoRAC) Appropriate distribution of surplus earnings (after cost of equity) between employees and shareholders
Allocating pool to business units	<ul style="list-style-type: none"> Pool allocation takes into account the relative performance of each unit against their balanced scorecard as evaluated by the CEO Inputs from control functions are sought Country Heads are also consulted in the allocation process
Determining individual award	<ul style="list-style-type: none"> Unit heads cascade their allocated pool to their teams and individuals Individual variable pay determined based on performance against goals and DBS PRIDE! values Employees with disciplinary warning meted out may have their variable pay impacted

The performance of control functions are assessed independently from the business units they support to prevent any conflicts of interests. The remuneration of the Chief Risk Officer (CRO) and Group Head of Audit are endorsed by the Chairman of Board Risk Management Committee and Audit Committee respectively and subsequently approved by the Board.

Sales employees are incentivised to promote the development of mutually beneficial long-term relationships with their customers, rather than a sole focus on short-term gains. Non-financial metrics such as customer satisfaction and compliance with fair dealing principles are incorporated into their KPIs.

4 Deferred remuneration

Plan objectives	Details
<ul style="list-style-type: none"> Foster a culture that aligns employees' interests with shareholders Enable employees to share in DBS' performance Help in talent retention 	<ul style="list-style-type: none"> Deferred remuneration is paid in restricted shares (DBSH Share Plan) except for SM and MRPs, where it is paid in restricted shares (DBSH Share Plan) and cash Deferred remuneration comprises two elements: the main award and retention award The retention award constitutes 15% of the main award and is designed to retain talent and compensate staff for the time value of deferral Deferred awards vest over four years, and will lapse immediately upon termination of employment (including resignation) except in the event of ill health, injury, disability, redundancy, retirement or death
Vesting schedule	Malus of unvested awards and clawback of vested awards
<p>Main Award</p> <ul style="list-style-type: none"> 25% vest on each anniversary after grant date <p>Retention Award</p> <ul style="list-style-type: none"> 100% vest four years after grant date 	<p>Malus and/ or clawback will be triggered by</p> <ul style="list-style-type: none"> Material violation of risk limits Material losses due to negligent risk-taking or inappropriate individual behaviour Material restatement of DBS' financials due to inaccurate performance measures Misconduct or fraud <p>Vested and unvested awards are subject to clawback within seven years from the date of grant</p>

Employees on sales incentive plans whose incentives exceed a certain threshold are also subject to deferrals which vest over three years and a 15% retention award.

Special Award is awarded to selected individuals as part of talent retention, and it is subject to three-year vesting period, with 33% vesting on the first and second anniversaries of grant and 34% on the third anniversary.

Read more about the Share Plan on page 113.

5 Summary of 2022 remuneration outcomes

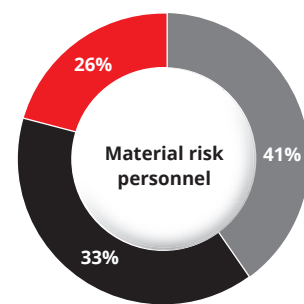
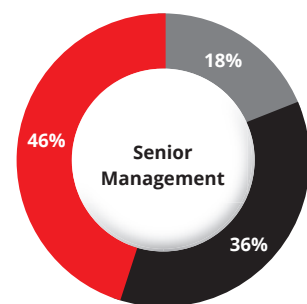
Our remuneration is linked to how we perform against our balanced scorecard (see pages 26 to 31) which is aligned to long-term value creation for our stakeholders in a sustainable way (see pages 68 to 69). As our scores improved in the current financial year, our variable pay pool was better than the previous year. The Compensation and Management Development committee (CMDC) evaluated and approved the variable pay pool which was subsequently endorsed by the Board of Directors (Board).

In 2022, an external compensation consultant, McLagan, was engaged to provide an independent review of the Group's compensation system and processes to ensure compliance with the FSB Principles for Sound Compensation Practices. McLagan and its consultants are independent and not related to us or any of our Directors. The results of the review showed that we are in compliance with the FSB Principles for Sound Compensation Practices.

Senior management and material risk personnel

In line with the principles set out by FSB, a substantial portion of remuneration for our Senior Management as well as Material Risk Personnel are variable. Their variable remuneration is subject to deferral, thus ensuring alignment to the time horizon of risks.

The following charts show the mix of fixed and variable pay for both groups for performance year 2022:



- Fixed pay
- Variable pay-cash
- Variable pay-deferred shares and/or deferred cash (including retention awards)

Note:
We do not provide any other forms of fixed and variable remuneration aside from those disclosed in this section

Our Senior Management's aggregate total remuneration in 2022 amounted to SGD 90.4 million, including the CEO's remuneration of SGD 15.4 million. Excluding the CEO's remuneration which has been separately disclosed, the median increase in total remuneration of the Senior Management who were members of the Group Management Committee for both 2021 and 2022 was 10.7%.

While corporate governance guidelines recommend that at least the top five key executives' remuneration be disclosed, the Board believes that it would be disadvantageous for us to do so because of the constant battle for talent in a highly competitive industry. This is consistent with banking industry practice in the local market. However, we do provide additional information on the median increase in remuneration of our Senior Management in the year as detailed above.

Breakdown of deferred remuneration awards

Category	SM ⁽¹⁾	MRPs ⁽²⁾
Total outstanding deferred remuneration⁽³⁾:		
Cash		0.9%
Shares and share-linked instruments		99.1%
Other forms of remuneration		-
Total		100.0%
Outstanding deferred and retained remuneration^{(3) (4)}:		
Of which exposed to ex-post adjustments		
Cash		0.9%
Shares and share-linked instruments		99.1%
Other forms of remuneration		-
Total		100.0%
Total amendment during the year due to ex-post explicit adjustments⁽⁵⁾:		
Cash	-	-
Shares and share-linked instruments	-	-
Other forms of remuneration	-	-
Total	-	-
Total amendment during the year due to ex-post implicit adjustments⁽⁵⁾:		
Cash	-	-
Shares and share-linked instruments ⁽⁶⁾	4.5%	(3.3%)
Other forms of remuneration	-	-
Total		
Total deferred remuneration paid out in the financial year:	35.3%	29.0%
Headcount	21	315

- (1) Senior Management (SM) is defined as the CEO and members of the Group Management Committee who have the authority and responsibility for DBS' overall direction and executing to strategy
- (2) In 2022, we also reviewed our criteria used to identify material risk takers to align with the definition of MRPs, in accordance to MAS's Individual Accountability & Conduct Guidelines. MRPs are defined as employees whose duties require them to take on material risk on our behalf in the course of their work and/or employees who can cause harm to a significant segment of customers or other stakeholders. These can be either individual employees or a group of employees who may not pose a risk to DBS' financial soundness on an individual basis, but may present a material risk collectively
- (3) Due to data confidentiality, the total amount of deferred and retained remuneration for SM and MRPs have been aggregated for reporting
- (4) Retained remuneration refers to shares or share-linked instruments that are subject to a retention period under a share retention policy
- (5) Examples of explicit ex-post adjustments include malus, clawbacks or similar reversal or downward revaluations of awards. Examples of implicit ex-post adjustments include fluctuations in the value of DBS ordinary shares or performance units
- (6) [No. of unvested DBS ordinary shares as at 31 Dec 22 x share price as at 31 Dec 22] / [No. of unvested DBS ordinary shares as at 31 Dec 21 x share price as at 31 Dec 21] -1

Guaranteed bonuses, sign-on bonuses and severance payments

Category	SM	MRPs
Number of guaranteed bonuses	0	0
Number of sign-on bonuses	0	8
Number of severance payments	0	0
Total amounts of above payments made during the Financial Year (SGD '000)	0	1,661

Other provisions

We do not allow accelerated payment of deferred remuneration except in cases such as death in service or where legally required. There are no provisions for:

- Special executive retirement plans;
- Golden parachutes or special executive severance packages; and/or
- Guaranteed bonuses beyond one year.

Chief Executive Officer

Since becoming CEO in November 2009, Piyush Gupta has transformed DBS into a leading bank with multiple engines of growth, solid digital leadership, and a pervasive culture of innovation

Despite 2022 being a challenging year marked by high inflation, slow growth and bearish markets, DBS had a breakout year financially. 2022 net profit was a record SGD 8.19 billion, up 20%. Notably, return on equity, at 15%, significantly surpassed previous records.

DBS' sterling financial performance reflected the benefit of higher interest rates, the strength of a broad-based franchise and multi-year transformation efforts. In particular, the bank's strengthened current and savings account base enabled it to enjoy higher leverage to rising interest rates than in previous years, contributing to strong total income. Diversified engines of growth also helped to mitigate the drag from lower wealth management and investment banking fee income.

In 2022, DBS continued to make headway in growing its Asia franchise. In India, with the successful integration of Lakshmi Vilas Bank, DBS India now has an enlarged platform that encompasses 2.5 million retail and 15,000 corporate customers. Income and profit rose for the year. Notwithstanding China-US tensions, DBS' Greater Bay Area franchise also saw robust growth. In Taiwan, DBS is on track to complete the integration of Citi's consumer banking business by August 2023.

Solid progress was also made in cementing a new way of working. A multi-year effort in industrialising artificial intelligence/ machine learning continued to deliver not just value to the customer but also revenue uplift to the bank. Ecosystem partnerships enabled the bank to further scale its customer base outside Singapore without high acquisition costs. "Managing through Journeys", which involves cross-functional squads working horizontally to ensure the bank is truly customer-first, gained in maturity.

DBS also continued to advance the sustainability agenda. The bank's net-zero roadmap is one of the most comprehensive in scope among global banks. On the social impact front, DBS Foundation's new Community Impact Chapter committed SGD 5.6 million towards 10 programmes to help foster a more equitable and inclusive society.

Finally, DBS was named by Global Finance as "World's Best Bank". This is the seventh global best bank award DBS has won in the past five years. The bank was also the only Singapore-headquartered company to be recognised as one of the "100 Best Workplaces for Innovators" by US-based Fast Company.

In recognition of Mr Gupta's 2022 performance, his present-year remuneration is as outlined below:

Breakdown of remuneration for performance year 2022 (1 January – 31 December)

	Salary remuneration SGD	Cash bonus ⁽¹⁾ SGD	Deferred remuneration ⁽²⁾ SGD	Others ⁽³⁾ SGD	Total ⁽⁴⁾ SGD
Mr Piyush Gupta	1,500,000	5,765,000	8,035,000	80,529	15,380,529

- (1) The amount has been accrued in 2022 financial statements
- (2) Of the deferred remuneration, about 17.2% will be in cash, while the remaining will be in the form of shares. At DBS, ordinary dividends on unvested shares do not accrue to employees. For better comparability with other listed companies, this figure excludes the estimated value of retention award amounting to SGD 1,205,250, which serve as a retention tool and compensate staff for the time value of deferral. This is also similar in nature to practices in those companies which provide accrual of dividends/ interest equivalents for deferred awards
- (3) Represents non-cash component and comprises club, car and driver
- (4) Refers to performance remuneration for 2022 – includes fixed pay in 2022, cash bonus received in 2023 and DBS ordinary shares granted in 2023