

What the DBS outages teach boards about **technology risk**

Five disruptions, S\$1.6 billion of extra capital and a six-month freeze on change. The lessons for any board moving fast on AI.

Six things this deck covers

- 1 The sequence from 2021 to 2024
 - 2 What the regulator charged in capital
 - 3 The four areas MAS found wanting
 - 4 Why modernisation added risk
 - 5 How DBS restructured oversight
 - 6 Six questions for your board
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\$930m

Extra capital after a two-day digital outage

MAS applied a 1.5 times multiplier to operational-risk RWA, four times the add-on for a similar DBS disruption in 2010. Source: MAS, February 2022.

\$1.6bn

Total additional capital at 1.8 times

After another outage on 29 March 2023, which MAS called "unacceptable". Source: MAS, 5 May 2023.

2.5m

Payment and ATM transactions not completed

A data centre cooling fault. Failover did not work because of a network misconfiguration. Up to 810,000 login attempts failed. Source: MAS reply to Parliament, 6 November 2023.

Four areas MAS found wanting

- 1 System resilience
- 2 Incident management
- 3 Change management
- 4 Technology risk governance and oversight

Result: a six-month pause on non-essential IT changes and new business ventures from 1 November 2023.

"The shift from a monolithic mainframe to a cloud-native, microservices-based approach... created a **more complex infrastructure requiring additional operational rigour and oversight."**

DBS Annual Report 2023, technology statement.

How DBS restructured oversight

Board	Committee dedicated to technology risk
Risk	Technology risk moved under the CRO
Structure	Technology and operations split in two
Money	SGD 80 million resilience budget
Pay	2023 variable pay cut 21%, CEO 30%

Six questions to answer in writing

- 1 Does failover work, and when was it proven?
 - 2 Who approves a model, prompt or agent change?
 - 3 Which committee owns technology risk?
 - 4 Does tech risk report to the CRO?
 - 5 Is downtime tolerance on the board dashboard?
 - 6 What risk does the transition add?
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Build the oversight **before** the speed arrives.

AI agents change behaviour overnight. The registry, the traceability and the change control have to be running first. Full case study at terencekok.com/research.



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