

Indonesia

Indonesia's economic growth slowed to 5.8% from accelerating inflation, falling export prices and slower foreign investment. In the middle of the year, Indonesian financial markets were also affected as capital outflows led to IDR depreciation and volatility in financial asset prices.

Despite the challenging environment, we recorded strong growth in corporate banking and wealth management. To drive higher returns, we managed net interest margin by ensuring price discipline and focusing on target customer segments. In the large corporate segment, we utilised our knowledge in sectors such as commodities and our regional connectivity to support clients' cross-border financing needs. Among SMEs, our cash management, trade and treasury capabilities helped us to be recognised as "Best Foreign Cash Management Bank for Small Corporate" by Asiamoney magazine.

Our reputation as Asia's safest bank as well as our extensive product capabilities helped us gain customers among affluent individuals. Widely recognised as one of the top three wealth management banks in Indonesia with competitive investment product suites, we also leveraged our treasury capabilities to structure products with higher returns for customers.

STRONG CAPABILITIES TO SUPPORT CORPORATES IN INDONESIA



"Best Treasury and Working Capital Bank for MNC/Large Corporate" by Asiamoney

"Best Cash Management Solution Bank" by Asiamoney

"Best FX Bank" by Global Finance

Customers

IMPROVING CUSTOMER ACCESS

Our network spans key Asian markets, enabling us to connect customers with opportunities across the region. Many of our competitors either focus on a particular sub-region, or do not have the Asian roots, insights and connectivity that we do. Our distribution and product capabilities enable us to offer "one-bank" solutions to serve both the personal and business needs of customers.

In Singapore, we have more than 2,300 distribution points – including branches, ATMs and self-service banking machines – that enable our individual customers to perform a variety of transactions such as paying bills and buying movie tickets besides making cash withdrawals. The usage of our ATM channel is among the highest in the world. Every hour, we also have 39,000 online and mobile transactions as well as enquiries, one of the highest in Singapore.

Our branch network in Singapore is in the process of being transformed to make customer transactions faster, easier and more convenient. Our state-of-the-art flagship branch at Marina Bay Financial Centre offers customers touch-pads to shorten the time needed to complete forms. These innovations have reduced queue times, while sales volumes and customer satisfaction have improved. On the back of this success, we have been extending the new branch design to other branches.

Besides re-modelling, we have been increasing the number of touchpoints over the years. To complement our network of full branches, we added mini-branches at high traffic locations and community centres. In April 2013, we began to progressively install ATMs at 83 Buzz Pod convenience stores located at bus interchanges, MRT stations, shopping malls, and residential estates. These additional outlets will complement our partnerships with 7-Eleven and the post office.

In India, our 12 branches, including our headquarters in Mumbai, are located in cities that account for more than 75% of the total trade transacted by companies in India. While our reach enables us to support corporate clients, a larger distribution network will let us serve affluent individuals better and improve our positioning for garnering additional cash management mandates. We have therefore applied for four more branches and are studying the guidelines for foreign bank subsidiarisation, which would allow us to rapidly fast-track our growth in the country.

PROVIDING INNOVATIVE SOLUTIONS

Innovation is a key item on our agenda, because we believe companies that do not embrace the digital age are likely to become extinct. Customers want banking services but not necessarily banks. They want to be able to bank on the fly as they go about their daily activities. One of our aims is to maintain leadership in electronic payments and mobile banking.

During the year, we revamped our online wealth platform to incorporate a number of industry firsts. Our mobile banking app strategy was ranked #1 in the world by Swiss research firm MyPrivateBanking in 2013.

For corporates and SMEs, we launched a fully automated online account opening service in Singapore.

In 2014, we announced a partnership with IBM to deploy its Watson cognitive computing innovation to our wealth management business. IBM Watson will help DBS' relationship managers analyse large volumes of complex unstructured and structured data, including research reports, product information and customer profiles; and weigh various financial options available to customers. By harnessing big data, we hope to deliver a better customer experience by providing insights that are more precise, customised and actionable.

In addition, we announced an agreement with A*STAR's Institute for Infocomm Research (I²R) in Singapore to set up a lab leveraging the institute's capabilities to develop innovative products and services. A first of its kind between I²R and a bank, the lab will seek new ways of employing technology to improve our customer experience. It will conduct research in data analytics, mobile technology, social platforms and leading-edge innovations as well as develop products for commercial use.

OUR COMMITMENT TO SERVICE

Our commitment to Asian service standards – of being respectful, easy to deal with and dependable – encompasses all aspects of our interaction with customers.

Our efforts in previous years were centred on improving efficiency. A total of 203 projects were completed over the past four years, which resulted in the elimination of more than 240 million hours of customer waiting time.

Our two areas of focus in 2013 were to improve customer journeys and to increase the efficiency of our technology.

Customer journeys are about the customer's experience with us from start to end. We partnered LUMA Institute, which specialises in innovation, to incorporate human-centred design (HCD) thinking into how we design and manage customer journeys. By putting ourselves in the shoes of customers in a wide spectrum of situations, we compel ourselves to have a detailed understanding of their needs, desires and context so that we can then create better experiences for the customer.

The HCD approach was adopted for 18 projects in 2013, including one for our call centre in Singapore. We designed a system so that customer service staff have a 360° view of a customer and can better anticipate the reason for a call. The system enables service staff to see, for example, that a customer who is calling has just had his ATM card retained. The staff would then be in a better

position to address the issue even without a detailed description from the customer. This not only provides the customer with a better experience but also reduces the probability that a subsequent call is needed to resolve the issue.

We established a lab to foster HCD thinking and innovation. The lab is a facility where different groups of staff can spend time with coaches to design and test concepts before a process is rolled out.

The second focus area was to improve the efficiency of our technology. To do this, we adopted a Lean IT programme, which was aimed at shortening the time taken to devise customer solutions, enhancing their quality and therefore achieving a better customer experience.

We received an honourable mention for our customer experience strategy at the Outside-in Awards by Forrester Research, a global research and advisory firm. We were also recognised at advisory firm IDC's Financial Insights Innovation Awards for deploying speech analytics at our call centre to help staff anticipate customers' needs before interacting with them.

For a list of key awards and accolades won by DBS in 2013, please refer to Page 198.

FAIR DEALING

Fair dealing is integral to our culture and is a KPI in the Group's balanced scorecard. All employees complete training modules on fair dealing every year. Sales staff also undergo comprehensive training on the bank's product suite and compliance guidelines.

In addition, our relationship managers are compensated based on a balanced scorecard approach, which takes into account sales and non-sales performance indicators such as the quality of the advisory and sales process, the suitability of product recommendations and customer satisfaction.

Employees

Recruiting individuals for their talent is only the first step. Imbuing them with a sense of purpose, providing training, and encouraging them to aim high are also key if we are to build a high-performance organisation with highly engaged employees. To achieve this, we provide differentiated employee experiences, including learning and development, rewards and recognition, and a work-life balance.

ATTRACTING AND RETAINING TALENT

We want to make DBS a place where people can learn and grow while making a difference at work. By grooming and nurturing our people, we can better engage and retain them.

Growing our own timber begins with attracting the very best talent from graduates to senior leaders across the region. By creating a great place to work, our employees will be motivated to recommend DBS as a prospective employer. In 2013, we were able to attract highly qualified individuals for over 40% of vacancies through staff referrals.

Engaging our people

There are several avenues for senior management and employees to engage in open, two-way communication. They include regular townhalls at the Group and division level. These forums enable employees to understand the bigger picture and how their role contributes to the organisation's goals. In addition, we have an intranet forum for employees to pose questions directly to the CEO or share their views with him. Feedback received from these forums has led to changes in policies and practices.

The diversity of our people – in nationality, culture and background – is a source of strength. Our employees come from the region and beyond. We also embrace gender diversity, with women accounting for 58% of our workforce and more than one-third of our leadership positions. Six of our 19 most senior leaders are women.