

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.



More than one in three leaders at DBS are women

To support our employees in their various life stages, we have flexible work initiatives in place. In recognition of our family-friendly work environment, we were the only bank to win the “Best Company for Mums” award from the Singapore National Trades Union Congress and the Tripartite Alliance for Fair Employment Practices.

We also seek to create a work environment that is fun. We organise year-round events including sports and games, workshops and talks, bazaars and performances to promote interaction and a sense of excitement. In Singapore, we have a tradition of holding a DBS Family Day together with the DBS Marina Regatta, Singapore’s biggest water sports festival. The annual Family Day in Taiwan was integrated into a fair in support of social enterprises.

Our efforts have been recognised. In recent years, we have steadily improved our employee engagement scores in annual surveys conducted by Gallup. We now

rank among the top 10% of all financial institutions and companies surveyed by Gallup. We were one of only three Asian companies to be awarded the 2013 Gallup Great Workplace Award. We were also recognised by The Asian Banker for our employee engagement in Asia.

Giving rewards and recognition

We recognise employees who go the extra mile for customers. The annual Banking the Asian Way Awards recognise teams and individuals who exemplify our unique brand of banking through the following: Asian Relationships, Asian Insights, Asian Service, Asian Innovation and Asian Connectivity.

We enhanced our package of employee benefits. At the same time, employees can determine for themselves which basket of benefits suits them best.

Supporting learning and development

Every year, we engage employees with three performance conversations which also focus

on their career aspirations and development opportunities. Our performance management system not only measures the “what” but also considers the “how” to ensure sustainability in performance and alignment to DBS values.

Learning and development programmes are carried out by the DBS Academy, an in-house school with centres in Singapore, Hong Kong and Shanghai. The academy devises programmes in collaboration with business and support units to help our people deliver a differentiated customer experience.

BUILDING THE NEXT GENERATION OF LEADERS

We have a rigorous talent and leadership management process to identify and develop the next generation of leaders at all levels. The structured development programme comprises training, experiential learning, mentoring and internal mobility.

Talent programmes

Our senior leaders are committed to building a strong leadership culture at DBS and take an active role in nurturing talent and the development of future leaders.

We introduced four new programmes in 2013 to groom recent diploma and degree holders who aspire to excel in retail banking, SME banking and customer service.

We identify the talent pool for more senior employees by using an all-round approach that includes the individual's performance, reviews by peers and subordinates, and external talent identification and management tools. For this pool, we designed and built new leadership programmes in 2013 to supplement existing ones.

Internal mobility

As part of the process to nurture talent from within, we have in place an internal mobility programme since 2010. Staff are strongly encouraged to leverage opportunities provided by the programme to work across departments, businesses and countries. Employees holding corporate ranks up to Assistant Vice-President who have worked two years in their current role can seek to be placed in a new role with two months' notice. For more senior employees, the corresponding periods are three years and three months. In 2013, more than one-quarter of our positions were filled by internal transfers.

We have a programme in place for senior employees with high potential to be rotated to different parts of the organisation. The rotations include assignments to lead major projects or stints with various businesses or countries. In 2013, one-third of such employees were given new job assignments or expanded roles.

Regulators

Containing systemic risk in the financial sector continues to be a significant concern among regulators globally. We are committed to maintaining financial system stability.

Our policies and processes aim to ensure compliance with both letter and spirit of laws and regulations in the countries we operate in. We inculcate a strong compliance culture, and our employees are required to attend regular training sessions to refresh and update their knowledge of compliance requirements. The principles of our compliance framework are outlined in the Corporate Governance report. We believe this approach supports our application for licences in markets, and for products and services. During the year, we were among the first two foreign banks to be given a licence to set up a sub-branch in the Shanghai Free Trade Zone. We will continue to adhere closely to various regulatory requirements as they develop.

We work closely with regulators and industry associations to ensure safety for our customers and their personal data. In 2013, we embarked on a campaign to encourage customers to upgrade their magnetic stripe credit cards to chip cards for enhanced security and at the same time enjoy improved customer benefits. The upgrade is an example of how implementing improved security measures can be combined with an enhanced client experience.

We also work with regulators and the industry to combat the growing threat of cybercrime. In 2013, we demonstrated our monitoring capabilities to regulators and government bodies as we worked with them to address this threat.

We aim to be consistent with the principles and standards set out by the Financial Stability Board (FSB) in relevant areas, including our remuneration policy and risk disclosures. We have adopted standards for our risk disclosures in this annual report to be in line

with the recommendations of the Enhanced Disclosure Task Force set up by the FSB.

Members of senior management continue to be active in regulatory and industry forums. We believe our insights from operating in the region can contribute to the formulation of financial standards and regulations, which can often have a global impact.

Society

POSB

POSB has served generations of Singaporeans since 1877 and is regarded as the "People's Bank". Over the years, the bank has evolved its products and services to meet the changing needs and lifestyle of customers. At the same time, POSB remains actively involved in grassroots activities, and engages the young to the seniors through community initiatives. In 2013, POSB supported more than 40 community events led by grassroots organisations.

POSB partners local community associations to organise programmes that inculcate the habit of regular savings among young people. In 2013, over 7,200 children from lower-income families benefited from them. We also collaborated with the Women's Initiative for Ageing Successfully, a non-profit group, to help seniors adapt to electronic banking as well as gain financial knowledge relevant for an active lifestyle. In 2013, 26% of our senior customers started using self-service banking machines and Internet banking, compared to 19% in 2011.

We also worked with special needs schools to educate students on basic life skills such as banking. We supported the National Library Board to promote a vibrant reading environment at four of its branches.

Since 2009, POSB has been strengthening community bonds through the POSB PASSion Run for Kids, which has raised more than