

# Institutional

# Banking

We bank over 200,000 institutional clients, including large corporates, small and medium enterprises (SMEs) and institutional investors.

## AWARDS



- Best Transaction Bank for Securities Services, Global
- Best Transaction Bank for Supply Chain Finance, Global
- Best Transaction Bank in Asia-Pacific



- Singapore Loan House



- Specialist Award: Best for SMEs, Asia-Pacific
- Editor's Triple Star – Working Capital Advisory, Asia-Pacific
- Best Debt House, Asia
- Best REIT House, Asia
- Best in Working Capital & Trade Finance in Southeast Asia



- Regional Derivatives House of the Year



- Best Invoice Discount Management, Global
- Best Foreign Exchange Provider, Southeast Asia



We place the customer at the centre of all we do, and offer a complete suite of products and services to help institutional clients with their financial needs.

We are focused on building a sustainable annuity business to supplement our core lending business and have continued to drive initiatives to add value to our customers in various ways.

### PROVIDING ACCESS TO CAPITAL

It is often said that in banking, the top 20% of customers contribute 80% of income. This incentivises some financial institutions to bank only the biggest corporates. Not DBS. We have consistently demonstrated a willingness to support SMEs so that they have the financing to expand. In 2014, working with Spring Singapore, a government statutory body, we made the highest number of loans under SGD 50,000 to companies incorporated less than three years and with fewer than 10 employees.

At the other end of the spectrum, we also made financing a reality for corporates whose scale require large loans. With our consistent performance and track record in syndicated finance, DBS stayed on top of the market across Asia (ex Japan), arranging USD 14.9 billion from 158 deals. DBS also topped the league tables for mandated arrangers in Southeast Asia and Singapore, collectively accounting for 47% of Asia (ex Japan) volumes. Some of these deals include:

- Universal Group Holdings' SGD 1.15 billion syndicated credit facilities. DBS was the sole financial advisor, joint underwriter and original mandated lead arranger (MLA), and bookrunner.
- Ford Automotive Finance (China) and Ford Motor Group's RMB 2 billion syndicated loan. This was the company's first onshore syndicated loan and DBS was an active MLA and bookrunner.

Despite the slowing of intra-regional trade growth in late 2014, we continued to expand our guarantee and import financing business and our open account trade platform. The open account trade presents us with huge opportunities in trade financing. For example, we launched several innovative client-centric solutions in supply chain financing, including multi-bank supply chain programmes, open account oil payment financing and supply chain finance lease programmes.

By utilising our fixed income capabilities, we assisted our clients to optimise their balance sheet management and lower funding costs by accessing the most efficient debt market. As more Asian corporates seek to make fixed income securities a bigger component of their capital structure, we redoubled efforts to raise the profile of Asian issuers to attract global investors, thus helping to accelerate the deepening of Asian debt markets. We also made further strides in the offshore RMB bond market, where we were ranked fourth in the Bloomberg league table, up from 20th in 2012 and 10th in 2013. We were the first to bring an offshore RMB bond to the market in 2014. We also completed the first offshore RMB deal with a direct guarantee from a China-incorporated guarantor after the State Administration of Foreign Exchange's relaxation on cross-border guarantee regulations, and launched a triple-tranche Formosa/Lion City bond.

We used our origination expertise and ability to reach a wide investor base to assist corporates to tap equity capital markets and diversify their funding base. We helped companies raise USD 10.2 billion through 30 new equity issuances comprising initial public offerings, rights issues and share placements in Asia. This included USD 2.1 billion raised in 17 new equity issuances, which accounted for 33% of the Singapore equity market.

## ENABLING CASH FLOW OPTIMISATION

DBS launched a unique working capital advisory programme to help companies analyse their key financial metrics against industry benchmarks. This enabled them to improve their cash conversion cycles, better utilise internal liquidity and reduce financing costs. Companies can make use of DBS' proprietary advisory services and diagnostic tools to identify opportunities to drive working capital management improvements across their commercial and financial processes. The working capital advisory programme is the latest addition to our growing suite of integrated cash, trade and treasury management solutions available across Asia-Pacific.

In late 2014, DBS became the first Southeast Asian bank to partner SAP, an enterprise application software provider, to help companies connect their treasury and payment systems with the bank. Our corporate customers' financial and treasury functions are able to automate financial transactions, reduce rejected payments and gain greater visibility and control over their cash balances.

On the payments front, we have successfully embedded FAST (Fast and Secure Transfers) into our retail payment capabilities, which enables corporate customers to benefit from an expanded consumer receivables solution suite to manage their collections. DBS is also leading in offering merchants an Internet Direct Debit service in Singapore, which allows corporate customers to use the eNets debit gateway to collect payments directly from consumers.

As a result of our efforts, DBS was ranked fifth in Asia-Pacific at the recent Asiamoney Cash Management Poll in all three corporate segments, reinforcing the strength of our franchise and capabilities.

## HELPING CUSTOMERS MANAGE FINANCIAL RISKS

We used our expertise in structuring treasury products to help customers hedge their risks. We have particular expertise in interest rates and Asian currencies. The scale and organisation structure of our Treasury & Markets business give us the nimbleness to respond quickly to market developments. Our balance sheet strength, ready access to funding and high credit ratings are also advantages enabling us to serve our customers well.

Foreign exchange hedging costs were rising in the run-up to the general elections in India and Indonesia, making it expensive for customers who wanted to hedge against tail risks. We created a 'compound forex option' for customers to hedge against any catastrophic short-term downside in the rupee and rupiah at an affordable cost.

## MAKING BANKING EASIER

We rolled out several initiatives to make banking easier for our corporate clients. We launched the mobile app for DBS IDEAL™, our corporate internet banking platform, across the region. The app is intuitive, user-friendly and allows customers to get instant access to account balances, make secure payments and gain better control of their cashflow on the go, anytime, anywhere. We also released a new supply chain finance

module on IDEAL™, providing financing visibility to the suppliers and buyers of DBS' customers. This enables them to transact promptly with DBS across the region.

We introduced an online corporate account opening initiative for business owners in Singapore to complete the opening of a bank account in five minutes; a process that previously took up to two hours. The online service now accounts for about one-third of the number of corporate bank accounts opened.

Our corporate banking website was re-designed to make it easier for customers to find information. We re-wrote it in plain English and kept jargon to the bare minimum. We also added tools such as working capital and loan calculators. Web traffic has doubled across the region in the year after its re-launch.

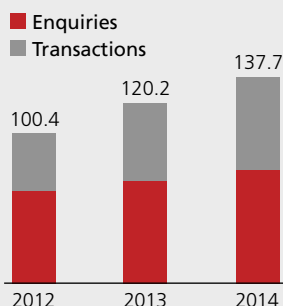
Deal Online, our online treasury platform, is used by 4,600 corporate customers in Singapore, double the number in 2013. We began signing up customers in Hong Kong, China, Indonesia and India after extending the platform to the rest of the region. The platform was also used by financial institution clients to trade spot, swap, forward and non-deliverable forward contracts.

Our electronic distribution of treasury products will be progressively expanded from foreign exchange to bonds and equities. Over time, customers will be able to navigate seamlessly from news and analysis to execute trades across multiple asset classes at any time and place.

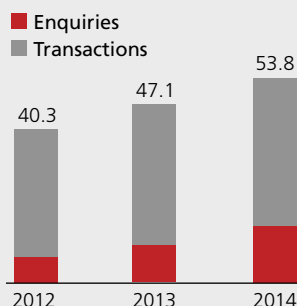


IDEAL™ is accessed globally across **120 countries**

### Companies on IDEAL™ (in thousands)



### Number of Enquiries & Transactions (in millions)



**"Accountants fall prey to using the same old statistics, possibly inherited from a decade or two ago. I think the DBS approach is dynamic. What is also enlightening and useful is the comparison between one's results against that of companies in the same industry. We have certainly benefitted from the exercise."**

— Eugene Tan Ying San, Chief Financial Officer, Pokka Corporation (Singapore) Pte Ltd



Entrepreneurs can seek advice from industry experts, investors and fellow entrepreneurs such as Darius Cheung, serial entrepreneur and founder of property search start-up 99.co; Zechariah Chan, partner at Lee & Lee; and Chan Li Han, co-founder of award-winning optical hardware start-up, DynaOptics, via the DBS BusinessClass mobile app.

### FACILITATING REGIONAL CONNECTIVITY

Our extensive network and in-depth knowledge of Asian markets put us in good stead to connect corporates with opportunities in Asia and help them expand across borders, both organically and inorganically.

For example, with 6,000 Indian companies now operating in Singapore, we recently established an India desk to help them expand into the rest of Southeast Asia or China. Likewise, to support Chinese companies looking to grow offshore, our China desks in Singapore and Hong Kong provide specialised advice on connectivity.

We introduced and made the investment case to Alibaba, the world's most valuable e-commerce company, to take a stake in SingPost. The transaction was strategically important for both companies as it provided Alibaba with a logistics fulfilment network in Southeast Asia while accelerating SingPost's transformation into a regional leader in e-fulfilment. DBS showcased SingPost's e-commerce fulfilment capabilities across Asia and its business plans to Alibaba, which was more familiar with SingPost as a traditional postal operator.

### UNLOCKING SHAREHOLDER VALUE

We worked with clients to unlock shareholder value. In many cases, their market capitalisation rose significantly after

the transaction. DBS advised on the merger of China Everbright Water Investments, a subsidiary of China Everbright International, and Hankore, another water treatment company, creating the largest water treatment company to be listed on the Singapore Exchange. In another example, we were able to leverage our expertise in corporate takeovers by advising Temasek Holdings in its general offer for Olam, a Singapore-listed commodities company. Olam subsequently traded above the offer price for a considerable length of time.

### GROWING RELATIONSHIPS WITH INSTITUTIONAL INVESTORS

Assets under management are growing in Asia as rising affluence and deregulation spur investment flows into and within the region. Institutional investors, including insurance companies, private banks, fund managers and sovereign wealth funds (SWFs), value banks like DBS with strong balance sheets, credit ratings, Asian insights and the ability to tailor products to capitalise on regional market conditions. Our long-dated interest rate and structured products were well-received by investors seeking asset yield enhancement. With our strength in the offshore RMB market, we are able to offer RMB-linked products. We added more central banks, SWFs and multilateral development banks as customers during the year as they sought well rated and Asia based counterparties.

### CONNECTING BUSINESS OWNERS WITH INDUSTRY EXPERTS

We inaugurated the DBS BusinessClass programme to connect entrepreneurs to the brightest business minds in Asia and around the world. Entrepreneurs can use the mobile app to confer with industry experts, investors, fellow entrepreneurs and DBS bankers. More than 7,000 entrepreneurs have signed up as members and 30 seasoned industry veterans have so far signed up as advisers.

### PRIORITIES FOR 2015

- Continue to deepen client relationships and connectivity by placing customers at the heart of the banking experience
- Scale up Western MNC and institutional investor businesses
- Use digital innovation as a differentiator to grow regional SME franchise
- Build out global transaction cross-sell business