

Our 2016 priorities

We use a balanced scorecard approach to measure how successfully we are serving multiple stakeholders and driving the execution of our long-term strategy. Our scorecard is based on our strategy and is used to set objectives, drive behaviours, measure performance and determine the remuneration of our people, making this a living tool.

The scorecard is divided into three parts and is balanced in the following ways:

- Between financial and non-financial performance indicators. Almost one-third

of the total weighting is focused on control and compliance metrics. On top of that, in line with our digital agenda, we have introduced KPIs around our vision to "Make Banking Joyful"

- Across multiple stakeholders
- Between current year targets and long-term strategic outcomes

The scorecard is updated yearly and approved by the Board before being cascaded throughout the organisation, ensuring that the goals of every business, country and support function are aligned to those of the Group.

Performance is assessed against the scorecard to determine remuneration, providing a clear line of sight between employee goals and organisational imperatives. We have achieved a well-established rhythm towards performance monitoring and our rewards are closely linked to scorecard outcomes.

Read more about our remuneration policy on page 64.

Read more about our "Making Banking Joyful" agenda from pages 8 to 10.

Traditional KPIs (40%)

Shareholders

Achieve sustainable growth

Shareholder metrics measure both financial outcomes achieved for the year as well as risk-related KPIs to ensure that growth is balanced against the level of risk taken, including compliance and control

For more information, see page 37.

Customers

Position DBS as bank of choice

Customer metrics measure the Group's achievement in increasing customer satisfaction and depth of customer relationships

For more information, see page 39.

Employees

Position DBS as employer of choice

Employee metrics measure the progress made in being an employer of choice, including employee engagement and people development

For more information, see pages 39 to 40 and 113 to 115.

"Making Banking Joyful" KPIs (15%)

Digital transformation

Acquire

Measure the progress made in leveraging digital channels to acquire new customers

Transact

Measure the reduction in manual efforts by driving straight-through processing and instant fulfilment

Engage

Measure the progress made in growing customers' digital engagements with the bank

For more information, see pages 40 to 41.

Reimagining customer and employee experiences

Measure the progress in embedding ourselves in the customer journey and employee journey to challenge the status quo

For more information, see page 41.

Creating a start-up culture

Measure the progress in re-wiring mindsets to be a 22,000-person start-up anchored on our PRIDE! values

For more information, see page 16.

Areas of focus (45%)

Regional businesses

Grow our regional businesses in Consumer/Wealth Management and Institutional Banking

For more information, see pages 42 to 47.

Geographic mix

Scale our growth in India, China and Indonesia

For more information on countries' financial performance, see page 35.

Enablers

Strengthening management processes, technology and infrastructure platform

For more information on fair dealing and cyber security, see page 109.

For more information on our technology, see pages 23 and 26.

Regulators

Contribute to the stability of the financial system

For more information, see page 31.

Society

Enhance the communities we serve, driving sustainable outcomes

For more information, see page 108.

The following section provides the balanced scorecard metrics that we measure ourselves on. (Shareholder metrics are found on page 37) We gave ourselves a lower overall balanced scorecard rating in 2016 because of a mixed performance.

Customer KPIs

Increase customer satisfaction

Target: Broad-based increase in customer satisfaction across markets and segments

Outcome: Based on customer surveys, we improved customer satisfaction in Consumer Banking (CBG) and maintained customer satisfaction in SME Banking. We increased our penetration of large corporate relationships and are the only Asian bank ranked in the top 5 on this measure.

Customer Satisfaction Measures

	2015	2016
Wealth Management Customer Engagement Score	4.10	4.17
Consumer Bank Customer Engagement Score	3.97	4.09
SME Bank Customer Engagement Score	4.13	4.10
Large corporates market penetration ranking	5th	4th

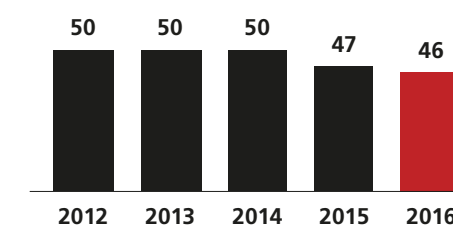
* Customer engagement scores (1 = worst; 5 = best) based on Ipsos Customer Satisfaction Survey (CSS) for Wealth Management, Scorpio Partnership CSS for CBG and Nielsen SME Survey. Large corporate penetration ranking based on Greenwich survey of large corporate banking relationships

Increase wallet share

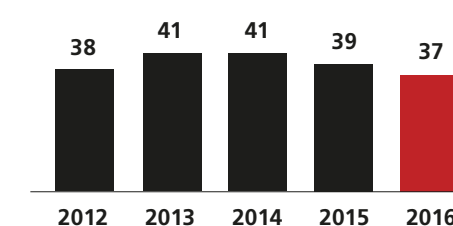
Target: Deepen wallet share of individual and corporate customers

Outcome: Institutional Banking (IBG) non-loan income ratio was marginally lower as a decline in RMB-related trade and treasury flows was mitigated by strong growth in cash management and investment banking income. CBG non-interest income ratio declined on the back of higher net interest income driven by improved margins and volume growth across both loans and deposits.

IBG Non-Loan Income Ratio (%)



CBG Non-interest Income Ratio (%)



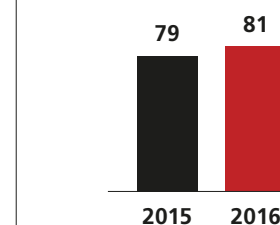
Employee KPIs

Maintain high employee engagement

Target: Improve employee engagement levels; top quartile of My Voice engagement peer group

Outcome: Ranked among top quartile in Aon Hewitt My Voice survey; score increased by two percentage points. We were named by Aon as one of the Regional Best Employers in Asia Pacific in 2016.

My Voice Employee Engagement Score (%)



Regional Best Employers in Asia Pacific, 2016

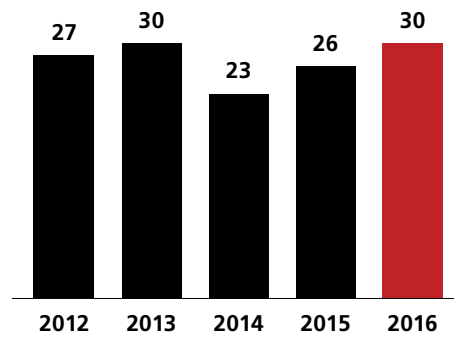
Employee KPIs (continued)

People development

Target: Provide our people with opportunities for internal mobility to enhance professional and personal growth

Outcome: Enabled our people to broaden their exposure across businesses, functions and markets; 30% of positions were filled by internal candidates in 2016.

Mobility: positions filled internally (%)

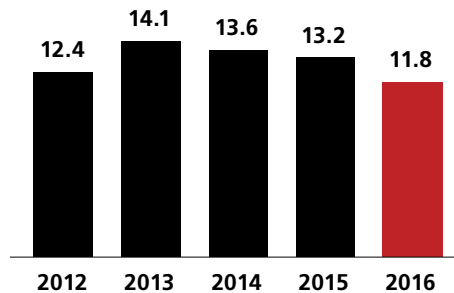


Turnover

Target: Maintain or reduce voluntary attrition; top quartile in all core markets

Outcome: Improved our voluntary attrition; in 2016, DBS was best-in-class in Singapore and Indonesia and our voluntary attrition rates were much lower than market average in key markets like China, Taiwan and India.

Turnover (%)



Digital Transformation KPIs

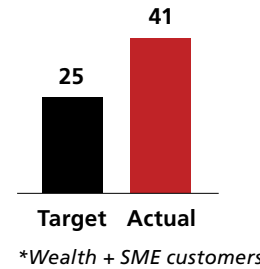
Acquire KPIs

Growth in customers acquired digitally

Target: Grow digital acquisition of customers and increase digital channel share

Outcome: Surpassed target growth in customers acquired digitally. Increased the proportion of retail products sold digitally to 43%

Growth in customers acquired digitally* (%)

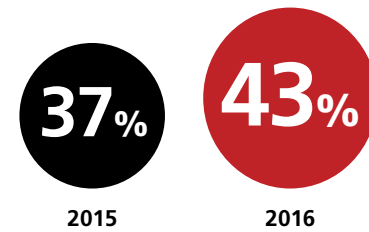


Growth in digibank India



> 840,000 customers acquired in 10 months since launch

Growth in channel share of retail products sold digitally



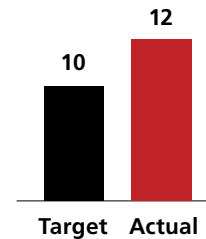
Transact KPIs

Reduction in manual efforts through improved productivity

Target: Reduce manual efforts by 10% in targeted operations by driving straight-through processing

Outcome: Achieved reduction in efforts, above target. Digibank India's operating model leverages technology, requiring fewer resources than a traditional bank.

Reduction in manual efforts in targeted operations (%)



Digibank India uses one-fifth of the resources required in a traditional bank set-up. Its AI-driven virtual assistant responds to more than 80% of queries.

Engage KPIs

Increase customers' digital engagements with the bank

Target: Drive engagement of customers through digital channels

Outcome: Made progress in driving customers' digital engagement across retail and SME segments. Digitally engaged customers generate 2x more revenue on average versus traditional customers.

Enhanced suite of front-end apps to drive customer engagement

We continued to enhance our suite of front-end apps to drive customer engagement across the group. The DBS Omni Credit Card Companion mobile app in Hong Kong enables customers to be in control of their spending – all with a simple touch on their smartphones. There are now about 140,000 users of the app who demonstrate higher spend versus non-users.

DBS BusinessClass creates a regional community of like-minded entrepreneurs,

giving them access to industry experts, investors, research and knowledge, as well as instant advice from the bank. Today, there are over 32,000 members discussing over 650 topics on the platform.

In Singapore, the total financial value of financial transactions on our mobile banking platforms increased by 51%, while total transactions increased 47% over the same period.

Through our Asian Insights platform, we continue to see good increase in traffic and engagement with customers who value our advice and insights into local markets and industries, allowing them to make better business and investment decisions.

Data analytics driving contextual offerings

In our wealth, retail and SME businesses, the use of data analytics to provide contextual offerings to our customers has resulted in higher acquisition and sales of products that are relevant to customers when they need them.

Creating a start-up culture KPIs

Start-up Culture KPIs

Target: Drive a start-up culture and mindset shift for employees to be more fintech-like

Outcome: Made good progress, with many of our people embracing a spirit of experimentation and innovation through immersion programmes, experiential learning platforms and ecosystem partnerships

Immersion programmes

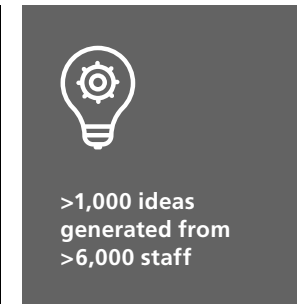
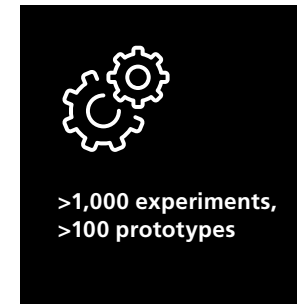
Employees were involved in immersion programmes such as hackathons, incubators, accelerators and partnerships with the fintech community. We invite start-up founders and entrepreneurs to share their experiences and

inspire our employees. We also mentor and support our staff who have similar aspirations.

Spaces and platforms

We have invested in spaces across the region to foster collaboration and drive an agile way of working. These include an open office concept, journey laboratories and innovation facilities such as DBS Asia X (our latest innovation centre which we launched in 2016).

We deployed a regional crowdsourcing platform for all employees. They are now able to contribute, share and vote for innovative ideas effectively within the DBS community. This will encourage and empower employees to make real changes.



Reimagining customer and employee experiences KPIs

Reimagining customer and employee experiences KPIs

Target: Embed journey thinking and drive 150 customer and employee journeys

Outcome: Embarked on over 300 journeys to explore ways to make banking more joyful for both customers and employees; 250 of our most senior leaders each sponsored a journey.

As part of our journeys, we have harnessed the predictive power of analytics to improve productivity, drive efficiency and improve controls across our support functions. Our contact centre uses data analytics to identify, prioritise and proactively reach out to customers who face issues before the customer calls in, resulting in faster resolution and greater customer satisfaction. Predictive analytics are used to optimise our ATM network efficiency, minimising out-of-cash occurrences while reducing the number of trips needed to reload the network.

Over 300 Journeys

