

# Our 2017 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.

## Traditional Key Performance Indicators (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.

Read more about this on page 39.

### Customers

#### Position DBS as bank of choice

Customer metrics measure DBS' achievement in increasing customer satisfaction and depth of customer relationships.

Read more about this on page 39 and pages 42 to 47.

### 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.

Read more about this on page 40 and pages 105 to 107.

## "Making Banking Joyful" KPIs (20%)

### Digital transformation

#### Ecosystems

Measure the progress made in developing meaningful relationships with ecosystem partners.

#### Acquire

Measure the progress made in leveraging digital channels to acquire new customers with increased digital channel share.

#### 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.

Read more about this on pages 40 to 41.

### Capturing value created from digitalisation

Measure the progress made in driving digital behaviours of our consumer and SME customers in Singapore and Hong Kong and increasing the income from digital customers.

Our hypothesis is that digital customers give us higher income, better cost-income ratio and higher return on equity (ROE) vs. traditional customers.

Read more about this on pages 36 to 37 and page 41.

### Reimagining customer and employee experiences

Measure the progress in embedding ourselves in the customer and employee journey to deliver superior experiences.

Read more about this on page 41.

### Creating a start-up culture

Measure the progress in re-wiring mindsets to be a 24,000-person start-up anchored on our PRIDE! values.

Read more about this on page 41.

## Areas of focus (40%)

### Regional businesses

Grow our regional businesses in Consumer Banking/ Wealth Management (CBG) and Institutional Banking (IBG).

Read more about this on pages 42 to 47.

### Enablers

Strengthen management processes, technology and infrastructure platform.

Read more about cyber security and fair dealing on pages 99 to 100.

Read more about our technology on page 20 and pages 22 to 23.

### Geographic mix

Scale our growth in our priority markets of China, India, Indonesia and Taiwan to rebalance our geographic mix.

Read more about this on page 34.

### Regulators

Contribute to the stability of the financial system.

Read more about this on page 29.

### Society

Enhance the communities we serve, driving sustainable outcomes.

Read more about this on page 29 and pages 97 to 104.

## Traditional KPIs

	KPI	Target	Outcome																
Shareholders <i>Read more about this on pages 30 to 37 "CFO statement".</i>	Grow income	Deliver consistent income growth	4% income growth to SGD 11.9 billion driven by broad-based loan growth and fee income.	<b>Income (SGD million)</b> 															
	Manage expenses	Be cost-efficient while investing for growth, with cost-income ratio improving over time	Cost-income ratio maintained at 43%, the result of productivity gains from digitalisation efforts and strategic cost management initiatives.	<b>Cost-income ratio (%)</b> 															
	Manage portfolio risks	Grow exposures prudently, aligned to risk appetite	Specific allowances rose to 72 basis points of loans due to the accelerated recognition of weak oil and gas support service exposures as non-performing assets (NPA). Net allowances were at 44 basis points of loans after writebacks of general allowances offset a significant portion of the increase in specific allowances. Specific allowances in other sectors were stable.	<b>Specific allowances/ average loans (bp)</b> 															
	Deliver returns	Deliver consistent ROE	ROE fell to 9.7% as total allowances increased due to accelerated NPA recognition in the oil and gas support services sector.	<b>Return on equity (%)</b> 															
Customers	Increase customer satisfaction	Achieve broad-based increase in customer satisfaction across markets and segments	Improved customer satisfaction in Consumer Banking. We were also awarded the inaugural CSISG Award <sup>(1)</sup> , presented to the top performing company in the Finance and Insurance sector over the last decade.  For Institutional Banking, we won the Gold award for Best Customer Experience Organisation at the Customer Experience Asia Excellence Awards 2017 <sup>(2)</sup> .	<b>Customer engagement score<sup>(3)</sup></b> <table border="1"> <thead> <tr> <th></th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Wealth Management</td> <td>4.17</td> <td>4.22</td> </tr> <tr> <td>Consumer Banking</td> <td>4.09</td> <td>4.12</td> </tr> <tr> <td>SME Banking</td> <td>4.10</td> <td>4.07</td> </tr> <tr> <td>Large corporates market penetration ranking</td> <td>4th</td> <td>4th</td> </tr> </tbody> </table>		2016	2017	Wealth Management	4.17	4.22	Consumer Banking	4.09	4.12	SME Banking	4.10	4.07	Large corporates market penetration ranking	4th	4th
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Deepen customer relationships	Deepen wallet share of individual and corporate customers	IBG non-loan income ratio was higher as a decline in treasury flows was mitigated by strong growth in cash management. CBG non-interest income ratio increased on the back of higher investment income.	<b>IBG non-loan income ratio (%)</b> 																
				<b>CBG non-interest income ratio (%)</b> 															

(1) The CSISG Award is awarded by the Institute of Service Excellence at Singapore Management University  
 (2) The Customer Experience Asia Excellence Awards is awarded by the International Quality and Productivity Centre  
 (3) (1 = worst; 5 = best) from Ipsos Customer Satisfaction Survey (CSS) for Wealth Management, Scorpio Partnership CSS for Consumer Banking and Nielsen SME Survey. Large corporates penetration ranking from Greenwich

### Traditional KPIs (continued)

KPI	Target	Outcome
<b>Employees</b>		
Employee engagement	Improve employee engagement levels; top quartile of My Voice engagement peer group	Ranked among top quartile in Aon Hewitt My Voice survey; score increased by one percentage point. In 2017, Aon recognised us as "Asia Pacific Regional Best Employer". We were also named "Best of the Best Employer" in Singapore, Indonesia and Taiwan. <b>My Voice employee engagement score (%)</b> 
People development	Provide our people with opportunities for internal mobility to enhance professional and personal growth	Enabled our people to broaden their exposure across businesses, functions and markets; 28% of positions were filled by internal candidates in 2017 <sup>(4)</sup> . <b>Mobility: positions filled internally (%)</b>  (4) Excluding ANZ integration headcount
Turnover	Maintain or reduce voluntary attrition; top quartile in all key markets	The voluntary attrition rate remained relatively stable; in 2017, DBS' turnover was best-in-class vs. peer group in Singapore and India. <b>Turnover (%)</b> 

### "Making Banking Joyful" KPIs

KPI	Target	Outcome
<b>Digital Transformation</b>		
<b>Ecosystems</b> Grow ecosystem partnerships	Leverage ecosystems and our digital footprint to grow digital interactions with customers	We launched the world's largest banking application programming interface (API) developer platform, making available a wide array of APIs for external partners to plug into. We have since published over 180 APIs and connected with more than 60 partners. We grew our digital footprint, broadened access to customers, increased our social media fanbase by 15% to 8 million and grew engagements by 12 million through the SPARKS mini-series.
<b>Acquire</b> Grow number of customers acquired digitally	Grow digital acquisition of customers and increase digital channel share	<div style="display: flex; justify-content: space-around;"> <div> <p><b>Channel share of retail products sold digitally<sup>(5)</sup></b></p> <p>2016 2017</p> <p>(5) Includes digitally-assisted channels for bancassurance</p> </div> <div> <p><b>Growth in digibank India</b></p> <p>Over 1.8 million customers acquired since launch</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div> <p><b>Channel share of wealth customers acquired digitally</b></p> <p>2016 2017</p> </div> <div> <p><b>Channel share of SMEs acquired digitally in Singapore</b></p> <p>2016 2017</p> </div> </div>
<b>Transact</b> Reduce manual efforts by driving straight-through processing and instant fulfilment	Reduce current efforts in targeted manual transacting processes	Achieved 9% reduction in efforts in 2017 by driving straight-through processing and instant fulfilment, as well as increasing customer-initiated transactions through digital channels. <b>Digital channel share of customers' financial transactions (Consumer, Singapore and Hong Kong)</b>  <b>Digital channel share of customers' financial transactions (SME, Singapore and Hong Kong)</b> 

### "Making Banking Joyful" KPIs (continued)

KPI	Target	Outcome
<b>Engage</b> Grow customers' digital engagements with the bank	Drive engagement of customers through digital channels	<p>The use of big data analytics and models has allowed us to better engage customers in contextual marketing, resulting in a double-digit increase in campaign revenues for CBG in Singapore and allowing us to garner incremental deposits in the SME space.</p> <p>We improved the user experience in our retail digital platforms, resulting in higher usage rates and better user ratings. Digital customers are more engaged. For example, users of our OMNI credit card companion app in Hong Kong grew more than 50% year-on-year (yoy) with users spending 2.5 times more than non-users.</p> <p>We offer differentiated insights on key Asian economies and industries via our Asian Insights platform across our digital channels. The traffic to our Asian Insights content continues to grow. We observed a 59% increase in monthly page views yoy as a greater number of customers value our depth of insights and advice.</p>
<b>Capturing value created from digitalisation</b>	Grow digital customers (Consumer and SME, Singapore and Hong Kong)	<p>The number of digital customers increased from 2.2 million in 2016 to 2.5 million in 2017<sup>(6)</sup>.</p> <p>(6) A digital customer has either (within the past 12 months): (i) made a product purchase or segment upgrade via a digital channel; (ii) done more than 50% of financial transactions via digital channels; (iii) done more than 50% of non-financial transactions via digital channels</p>
	Drive digital customers' income (Consumer and SME, Singapore and Hong Kong)	The income from digital customers increased 21% yoy. In addition, the income of a digital customer was two times the income of a traditional customer.
<b>Reimagining customer and employee experiences</b>	Drive journey thinking and demonstrate outcomes from journeys started in 2016	448 journeys across the bank, with 71% of them delivering or having delivered outcomes during the year. In total, 1.1 million customer hours and 327,000 employee hours were saved. Many of these journeys leverage data analytics to make banking joyful for both customers and employees.
<b>Creating a start-up culture</b>	Inculcate a start-up culture and mindset	<p>We made good progress, with many of our people embracing a spirit of experimentation and innovation through immersion programmes, experiential learning platforms and ecosystem partnerships.</p> <p>During the year, over 15,000 employees were involved in immersion programmes such as hackathons, incubators, accelerators and partnerships with the fintech community.</p> <p>We are seeing progress in changing the way we work to be more agile and nimble. Increasing pockets of the bank are adopting agile @ work across business and support units. We drove the use of data and analytics, increased data resources embedded with the business and support units, and pioneered a new meeting culture to increase meeting effectiveness.</p> <p>We expanded our JoySpace programme, investing in transforming spaces to build a start-up culture, foster collaboration and ideation, and enable the future way of working. Close to 300,000 square feet of JoySpace has been created through the programme in 2017, impacting over 4,000 staff in the region.</p> <p>The organisation is now on Office365, a cloud-based collaborative platform. During the year, we further drove its adoption and usage.</p>