

Consumer Banking/ Wealth Management

Delivering strong financial performance

Total income for Consumer Banking rose 9% to a new high of SGD 4.67 billion on the back of broad-based growth across our markets and the successful integration of the ANZ retail and wealth management business in the region. With cost-income ratio low in the mid-50s range, profit before tax grew 10% to SGD 1.95 billion.

Wealth Management segment income rose 25% to a record SGD 2.11 billion. Assets under management grew 24% to SGD 206 billion, including SGD 18 billion from ANZ.

Net interest income grew 5% underpinned by strong growth in customer deposits, mortgage loans and cards. In Singapore, we continue to lead in Singapore-dollar savings deposit market share, while our market share in housing loans crossed 30%. Taiwan, Indonesia and China also delivered solid performances with double-digit net interest income growth.

Investment and bancassurance product sales contributed to the 17% increase in non-interest income. Bolstered by positive market sentiment, our enhanced investment product initiatives yielded good results. We saw strong trade volumes on equity structured products. Fixed income strategies focusing on bond portfolio optimisation in view of the rising rate environment also paid off. Mutual fund sales almost doubled across both retail and wealth management segments driven by strong demand for income funds, as well as diversified or balanced portfolio solutions. We also launched three new discretionary portfolio management (DPM) mandates – ETF Mandate, Asia-Focus Mandate and Mutual Funds Mandate, which complemented our current product offerings and made DPM suitable to a wider range of customers.

2017 marked the second year of our 15-year regional bancassurance partnership with Manulife. Life insurance sales volume grew steadily across key markets. Our extensive distribution network, strong insurer partnership, innovative new products and straight-through digital processing capabilities were key in meeting the varied insurance needs of our retail, wealth and institutional banking customers. As part of our financial

SGD million	2017	2016	YoY %
Total income	4,671	4,279	9
• Retail	2,564	2,598	(1)
• Wealth Management	2,107	1,681	25
Expenses	2,562	2,384	7
Profit before allowances	2,109	1,895	11
Allowances	161	129	25
Profit before tax	1,948	1,766	10

planning initiative, we launched “NAV – Your Financial GPS”, the first financial planning centre introduced by a bank in Singapore which offers free advisory services in a no-sales, no-obligation environment.

To cater to customers’ general insurance needs, we entered into a 15-year regional general insurance distribution partnership with Chubb, a global leader in general insurance and reinsurance, effective January 2018. This partnership represents the coming together of two leading organisations, providing DBS’ customers access to Chubb’s suite of market-leading home, contents and selected personal accident and supplemental health insurance products, as well as general insurance products for SMEs.

Key highlights

Integrating ANZ retail and wealth management business

We successfully integrated ANZ retail and wealth management business across four markets in 2017 – China in July, followed by Singapore in August, Hong Kong in September, and Taiwan in December. Integration in Indonesia was completed in February 2018.

While it has been a complex process that spanned multiple markets with different regulations, systems, clientele and business models, the successful completion of this acquisition highlights our expertise in seamlessly integrating an acquired business and generating value inorganically. In particular, the transaction gives us a sizeable cards business in Taiwan and Indonesia, and

bolsters our position as a leading wealth manager in Asia.

Creating shareholder value from digitalisation

In November, we held our inaugural digital investor day and were one of the first banks to tangibly quantify and articulate the financial benefits of digitalisation. We noted that, compared to a traditional customer, a digital customer brings in two times the income, with higher deposit, loan and investment balances. A digital customer, on average, also costs less to acquire and is more engaged, with over 16 times more self-initiated transactions.

Relentless in our pursuit to be digital to the core, we launched several digital innovations across our markets.

In Singapore, in support of the Smart Nation agenda to adopt cashless payments, we developed a groundbreaking mobile payment solution in which all DBS PayLah! users – including non-DBS/ POSB customers – can pay using QR codes and receive funds by generating their own QR code. This was well-received by our customers and we saw daily transactions increase by about three times. This service has also been extended to DBS iWealth and DBS/ POSB digibank app users.

We also set a global milestone with the launch of a banking application programming interface (API) developer platform that is the largest by a bank worldwide. We now have over 180 APIs for Singapore, with more than 60 partners. These partners include household names such as AIG, McDonald’s,

MSIG, PropertyGuru, as well as start-ups like Activpass, FoodPanda and soCash. By plugging into our platform, they can develop solutions that will bring more convenience and value to our customers.

In Hong Kong, we launched DBS Home360 in partnership with Century 21, one of the largest realtors in Hong Kong. DBS Home360 is the first banking mortgage app in Hong Kong to leverage the power of virtual reality, enabling homebuyers to stay abreast of changes in the industry and enjoy greater convenience with access to pertinent information within a single app. The app garnered over 10,000 downloads within the first month of launch, and was ranked #1 in the Apple App Store Finance category and #2 in Google Play Store in less than one week.

In China, we bring an enhanced onboarding experience to customers via social network platform WeChat. With three simple digital steps on the WeChat platform, customers can complete their onboarding process for DBS online banking and enjoy our 24/7 banking services such as account management, funds transfer, insurance and investments. Leveraging WeChat’s ubiquitous presence across a typical Chinese customer’s daily activities, we bundled bank offerings with ecosystem partner offers, creating more attractive propositions for them.

Disrupting growth markets with digibank

With its revolutionary value proposition of a completely paperless and signatureless account opening process, digibank India has since acquired over 1.8 million customers, of which over 500,000 have a savings account relationship with us. Customer adoption has been encouraging with over 27 million transactions, vindicating the increasing trust in digital platforms. Heartened by these positive results, we continue to develop more solutions that address customer needs in a fully paperless model. Digi Mutual Fund, which is a first-of-its-kind solution to invest in capital markets, was introduced in October. We are also looking to add Digi Loans and Digi Bancassurance in 2018.

Leveraging our experience in India, we officially launched digibank in Indonesia in August, giving customers the ability to bank anytime, anywhere.

Growing our wealth management business from strength to strength

Our wealth franchise continues to grow from strength to strength, contributing 18% of total group income, an increase of three percentage points from 2016. Five markets delivered high double-digit wealth income growth, with China hitting a high of over 60%. This strong performance is attributed to robust organic growth and the acquisition of the ANZ business which added more than 100,000 affluent clients regionally.

Testament to the strides we have made in our digital and wealth strategies, our Private Banking business won numerous accolades, including clinching three consecutive wins in two key awards – “Best Asian Private Bank” by FinanceAsia and “Best Private Bank for Innovation” by PWM/ The Banker. Our Treasures Private Client (TPC) business, which caters to high net-worth individuals with investible assets of SGD 1.5-5 million, also remains a key driver of our wealth business. Building on this momentum, we look to expand our unique wealth continuum strategy in Taiwan and Indonesia.

We rolled out various enhancements to DBS iWealth, our digital wealth management platform. New features include “Online FX”, where clients can seamlessly perform foreign currency transactions based on real time quotes with three available settlement dates, and “Online Leveraging”, a first-of-its-kind feature where clients can draw down from their multi-currency revolving term loan online.

Combining wealth management and banking in one for mobile devices, the DBS iWealth app further provides clients, on the move, with a comprehensive digital experience. With the DBS iWealth platform, we were able to lower marketing cost of client acquisition, grow transaction volumes and deepen client engagement digitally. Online acquisition as a percentage of total client acquisition for Treasures and TPC segments increased from 25% in 2016 to 37% in 2017.

Digitalisation also extends to the lifestyle privileges offered to our wealth clients. DBS Asia Treasures, an exclusive by-invitation membership for wealth clients, introduced a digital membership card in the new Asia Treasures app. The intuitive and convenient app provides clients with fingertip access to curated travel privileges.

In addition to digitally engaging with our clients, we continue to invest in re-wiring our wealth services to enable relationship managers (RMs) to have richer engagements with clients. With the use of API-driven architecture for seamless communication across applications, we integrated data-driven insights from over 12 sources onto one platform, equipping RMs with a comprehensive view of the client. This resulted in strong gains in RM productivity across all three wealth segments, with the Treasures segment experiencing the greatest lift of 57% over three years.



Areas of Focus

- Maximise value from the acquisition of ANZ retail and wealth business
- Drive benefits of digitalisation and deliver on our digital strategies
- Accelerate growth of digibank in India and Indonesia
- Embed DBS iWealth 2.0 and enhance our wealth value proposition in key markets
- Continue to advance customer journey thinking, data analytics and agile thinking

POSB Neighbours first, bankers second



This was a milestone year for POSB, Singapore’s oldest and most loved bank, as it celebrated its 140th anniversary. Since our founding in 1877, we have always been deeply woven into the fabric of our nation and we stay true to our mission of being the “People’s Bank”.

We take pride in serving generations of Singaporeans from all walks of life and till today, we remain committed to bringing value to all segments of the population which include children, young adults, families, seniors and the community at large.

To celebrate our 140th anniversary, we also rolled out a series of initiatives to engage our staff, customers and members of the community to thank them for their support all these years.

For children and families

POSB has always played a key role in encouraging the people of Singapore to save for their future with initiatives such as the POSB National School Savings Campaign. In 2017, we officially launched the “POSB Smart Buddy” programme, the world’s first in-school savings and payments programme. This groundbreaking initiative uses wearable tech to teach students how to save and spend wisely by helping them track their savings and spending habits digitally.

This initiative is an updated take on the iconic savings campaign, designed to engage a new generation of digitally-savvy kids by encouraging them to cultivate a sensible savings habit in an interactive and engaging manner. It transforms the age-old “pocket money” tradition, teaches students how to manage their expenses and save wisely, and provides small business owners in schools greater incentive to adopt digital payments.

Feedback from students and parents has been positive and we have plans to develop a similar programme tailored for secondary schools and tertiary institutions.

To further engage children, we launched a financial literacy book for kids named

“Savings and Spending Money”. Our POSB staff conducted storytelling sessions with children islandwide to inculcate the value of good savings and spending habits. The book is available in all public libraries and reading corners at selected Community Development Councils.

POSB and the People’s Association (PA) marked their strong partnership with the ninth annual instalment of POSB PA Passion Run for Kids. We encouraged the spirit of giving back to the community through a new “Sponsor a Buddy” programme. Under this initiative, participants were able to co-sponsor underprivileged children and their parents to participate in the event. Close to 10,000 participants joined the event and we managed to again raise SGD 1 million for the POSB PA Passion Kids Fund, bringing the total amount raised to SGD 7 million. The fund has benefitted over 400,000 children to date.

Together with PA and other corporate partners, we also launched the “POSB KidStarter Programme” to teach more than 140 children how to manage their money wisely. The children learnt basic coding skills as part of the programme and put theory into practice by creating animations and games which reinforced the importance of thrift and saving money.

For seniors

We seek to encourage active ageing in our continuous employment of seniors as our POSB Active Neighbours, who are also POSB digital ambassadors, at our branches. They play a proactive role in engaging seniors on how simple going digital will be for them.

To ensure that seniors in the community are not left behind in this fast-changing world, we collaborated with various community partners such as C3A, Infocomm Media Development Authority and PA to familiarise seniors with digital banking services. The workshop titled “Introduction to Digital Banking”, is

For the community at large

Guided by our promise of being “Neighbours first, bankers second”, POSB actively reaches out to the community to make a difference in the lives of Singaporeans.

We officially launched Video Teller Machines (VTMs) across the island, raising the bar for banking services in Singapore. Customers can get their debit cards or internet banking tokens replaced instantly

a SkillsFuture credit-approved course and available for seniors to register at any community club. Close to 10,000 seniors have benefitted from these workshops. We also reached out to new community partners such as WINGS, RSVP Singapore and NTUC Club to engage their communities too.

We will be collaborating with IMDA on their Home Access Programme to reach out to more than 8,000 seniors over the next three years. The programme entitles eligible seniors to apply for subsidised internet access and tablets.

at any time of the day. They can also speak to our service staff “face-to-face” via live video for other banking needs. The VTMs are an example of how we are reimagining banking, using digital technology and innovation to extend our reach, enhance efficiencies, and create tomorrow’s solutions today.

To celebrate POSB’s 140th anniversary, a special POSB Gallery was curated to share

With society experiencing the impact of a rapidly ageing population, over 1,000 branch staff attended training on mental wellness by speakers from the “Forget Us Not” initiative to gain a deeper understanding on how to handle persons showing signs of dementia. POSB also collaborated with partners like Khoo Teck Puat Hospital and the Office of the Public Guardian to provide joint mental wellness talks to vulnerable seniors as part of the bank’s support of PA’s ProjectWeCare initiative.

the bank’s heritage. During the course of the year, we went around Singapore to show how the bank continues to be entrenched in the community. In all, the roving gallery attracted close to 200,000 visitors across 10 heartland locations. A digital version of the POSB Gallery was also developed to share the POSB story with Singaporeans.