

# Our 2018 priorities

We use a balanced scorecard approach to measure how successfully we are serving stakeholders and executing our long-term strategy. Our scorecard, which is based on our strategy, 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

Measure financial outcomes and 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 27.*

### Customers

#### Position DBS as bank of choice

Measure progress in customer satisfaction, depth of customer relationships and brand positioning.

*Read more about this on pages 27, 28, 36 and 38.*

### Employees

#### Position DBS as employer of choice

Measure progress in being an employer of choice, including employee engagement and people development.

*Read more about this on pages 28, 96 and 97.*

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

### Digital transformation

#### Ecosystems

Measure progress made in growing and developing meaningful relationships with ecosystem partners.

#### Acquire

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

#### Transact

Measure progress made in automation by driving end-to-end straight-through processing and instant fulfilment.

#### Engage

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

*Read more about this on pages 29 and 30.*

### Capturing value created from digitalisation

Measure progress made in driving digital behaviours of our Consumer and SME customers (Singapore and Hong Kong) and increasing the income of digitally engaged customers.

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

*Read more about this on page 30.*

### Reimagining customer and employee experiences

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

*Read more about this on page 31.*

#### Being a data-driven company

Measure progress of data analytics projects to be a data-driven company.

*Read more about this on page 31.*

#### Creating a startup culture

Measure progress in re-wiring mindset to be a 26,000-person startup anchored on our PRIDE! values.

*Read more about this on page 31.*

## Areas of focus (40%)

### Regional businesses

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

*Read more about this on pages 36 to 41.*

### 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 23.*

### Enablers

Strengthen management processes, technology and infrastructure platform.

*Read more about fair dealing and cyber security on pages 88 and 96.*

*Read more about our technology on pages 34, 35 and 62 to 64.*

### Regulators

Contribute to the stability of the financial system.

*Read more about this on page 71.*

### Society

Create impact through responsible banking, responsible business practices, DBS Foundation's support of social enterprises and DBS' volunteerism movement.

*Read more about this on pages 64 to 71 and 96 to 97.*

## Traditional KPIs

	KPI	Target	Outcome																
<b>Shareholders</b>  <i>Read more about this on pages 20 to 25 "CFO statement"</i>	Grow income	Deliver consistent income growth	11% income growth to SGD 13.2 billion driven by loan and fee income growth as well as higher net interest margin.	<b>Income (SGD million)</b> <table border="1"> <tr><th>Year</th><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2018</td></tr> <tr><th>Income (SGD million)</th><td>9,618</td><td>10,801</td><td>11,489</td><td>11,924</td><td>13,183</td></tr> </table>	Year	2014	2015	2016	2017	2018	Income (SGD million)	9,618	10,801	11,489	11,924	13,183			
	Year	2014	2015	2016	2017	2018													
	Income (SGD million)	9,618	10,801	11,489	11,924	13,183													
	Manage expenses	Be cost-efficient while investing for growth, with cost-income ratio improving over time	<p>The cost-income ratio increased one percentage point to 44%. Excluding ANZ (which was consolidated for the first full year and had a cost-income ratio of 52%) and Treasury Markets (which had an usually weak performance due to unfavourable market conditions), the cost-income ratio was stable.</p> <p>Productivity gains from digitalisation efforts and strategic cost management initiatives helped maintain the ratio.</p>	<b>Cost/ income ratio (%)</b> <table border="1"> <tr><th>Year</th><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2018</td></tr> <tr><th>Cost/ income ratio (%)</th><td>45</td><td>45</td><td>43</td><td>43</td><td>44</td></tr> </table>	Year	2014	2015	2016	2017	2018	Cost/ income ratio (%)	45	45	43	43	44			
Year	2014	2015	2016	2017	2018														
Cost/ income ratio (%)	45	45	43	43	44														
Manage portfolio risks	Grow exposures prudently, aligned to risk appetite	Specific allowances fell to 19 basis points of loans, as new NPAs remained low and were more than offset by recoveries and write-offs.	<b>Specific allowances/ average loans (bp)</b> <table border="1"> <tr><th>Year</th><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2018</td></tr> <tr><th>Specific allowances/ average loans (bp)</th><td>18</td><td>19</td><td>38</td><td>72</td><td>19</td></tr> </table>	Year	2014	2015	2016	2017	2018	Specific allowances/ average loans (bp)	18	19	38	72	19				
Year	2014	2015	2016	2017	2018														
Specific allowances/ average loans (bp)	18	19	38	72	19														
Deliver returns	Deliver consistent return on equity (ROE)	ROE rose to 12.1%, the highest in a decade, due to improved structural profitability of our transformed franchise and as interest rates and total allowances reached more normalised levels.	<b>Return on equity (%)</b> <table border="1"> <tr><th>Year</th><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2018</td></tr> <tr><th>Return on equity (%)</th><td>10.9</td><td>11.2</td><td>10.1</td><td>9.7</td><td>12.1</td></tr> </table>	Year	2014	2015	2016	2017	2018	Return on equity (%)	10.9	11.2	10.1	9.7	12.1				
Year	2014	2015	2016	2017	2018														
Return on equity (%)	10.9	11.2	10.1	9.7	12.1														
<b>Customers</b>	Increase customer satisfaction	Achieve broad-based increase in customer satisfaction across markets and segments	<p>Customer satisfaction improved from the previous year. Consumer banking customer experience index improved in Singapore, Hong Kong, Taiwan and China for the fourth consecutive year. We were ranked top overall, across all industries, in Forrester's inaugural Singapore customer experience index.</p> <p>Improved customer satisfaction in Institutional Banking. We were ranked the best globally for cash management customer satisfaction by Euromoney<sup>(1)</sup>.</p> <p>We were also ranked second for trade finance market penetration globally, from fifth place in 2017.</p>	<b>Customer engagement score<sup>(2)</sup></b> <table border="1"> <tr><th></th><th>2017</th><th>2018</th></tr> <tr><td><b>Wealth Management</b></td><td>4.22</td><td><b>4.29</b></td></tr> <tr><td><b>Consumer Banking</b></td><td>4.12</td><td><b>4.21</b></td></tr> <tr><td><b>SME Banking</b></td><td>4.07</td><td><b>4.27</b></td></tr> <tr><td><b>Large Corporates market penetration ranking</b></td><td>4<sup>th</sup></td><td><b>4<sup>th</sup></b></td></tr> </table> <p><b>(Only Asian bank in top 5)</b></p>		2017	2018	<b>Wealth Management</b>	4.22	<b>4.29</b>	<b>Consumer Banking</b>	4.12	<b>4.21</b>	<b>SME Banking</b>	4.07	<b>4.27</b>	<b>Large Corporates market penetration ranking</b>	4 <sup>th</sup>	<b>4<sup>th</sup></b>
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<p><b>Best Bank for customer satisfaction</b></p>																			

(1) The Euromoney cash management survey was conducted with over 25,000 clients participating globally

(2) Scale: 1 = worst; 5 = best. Source: Scorpio partnership and Ipsos Customer Satisfaction Survey (CSS) for Wealth Management, Ipsos CSS for CBG and Aon Hewitt SME Survey. Large corporate penetration ranking was from Greenwich for 2018

## Traditional KPIs

	KPI	Target	Outcome													
Customers	Deepen customer relationships	Deepen wallet share of individual and corporate customers	<p>IBG non-loan income ratio was higher due to strong growth in cash management and improved treasury flows.</p> <p>While CBG non-interest income grew 12%, the non-interest income ratio declined due to faster net interest income growth driven by loan and deposit growth and higher net interest margin.</p>	<p><b>IBG non-loan income ratio (%)</b></p> <table border="1"> <tr><th>Year</th><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2018</td></tr> <tr><th>Ratio (%)</th><td>50</td><td>47</td><td>46</td><td>49</td><td>55</td></tr> </table>	Year	2014	2015	2016	2017	2018	Ratio (%)	50	47	46	49	55
				Year	2014	2015	2016	2017	2018							
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<p><b>CBG non-interest income ratio (%)</b></p> <table border="1"> <tr><th>Year</th><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2018</td></tr> <tr><th>Ratio (%)</th><td>41</td><td>39</td><td>37</td><td>39</td><td>36</td></tr> </table>	Year	2014	2015	2016	2017	2018	Ratio (%)	41	39	37	39	36				
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Ratio (%)	41	39	37	39	36											
<p><b>My Voice employee engagement score (%)</b></p> <table border="1"> <tr><th>Year</th><td>2015</td><td>2016</td><td>2017</td><td>2018</td></tr> <tr><th>Score (%)</th><td>79</td><td>81</td><td>82</td><td>82</td></tr> </table> <p><b>AON</b> <b>BEST EMPLOYER</b> ASIA PACIFIC   2018</p>	Year	2015	2016	2017	2018	Score (%)	79	81	82	82						
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Employees	Employee engagement	Maintain employee engagement levels	<p>Ranked at eighty-seventh percentile in Aon Hewitt My Voice Survey across global and APAC benchmarks. Recognised by AON as "Asia Pacific Regional Best Employer".</p> <p>Named "Best of the Best Employer" for second consecutive year in Singapore and Best Employer in India. We also received special recognition awards for "Engaging Gen Y" in Singapore and "Best Employer Innovation Cube Award" in China.</p>													
	People development	Provide our people with opportunities for internal mobility to enhance professional and personal growth	<p>Enabled people to broaden their exposure across businesses, functions and markets. 28% of positions were filled by internal candidates in 2018<sup>(3)</sup>.</p> <p>(3) Excluding ANZ integration headcount</p>	<p><b>Mobility: positions filled internally (%)</b></p> <table border="1"> <tr><th>Year</th><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2018</td></tr> <tr><th>Percentage (%)</th><td>23</td><td>26</td><td>30</td><td>28</td><td>28</td></tr> </table>	Year	2014	2015	2016	2017	2018	Percentage (%)	23	26	30	28	28
Year	2014	2015	2016	2017	2018											
Percentage (%)	23	26	30	28	28											
	Turnover	Maintain or reduce voluntary turnover	<p>Turnover increased from 2017 in line with market trends. In 2018, DBS was among the three banks with the lowest turnover in Singapore, China and India. It was comparable to peers in other countries except Indonesia, where the ANZ integration contributed to a higher turnover.</p>	<p><b>Turnover (%)</b></p> <table border="1"> <tr><th>Year</th><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2018</td></tr> <tr><th>Turnover (%)</th><td>13.6</td><td>13.2</td><td>11.8</td><td>13.0</td><td>14.7</td></tr> </table>	Year	2014	2015	2016	2017	2018	Turnover (%)	13.6	13.2	11.8	13.0	14.7
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## “Making Banking Joyful” KPIs

	KPI	Target	Outcome												
Digital transformation	<b>Ecosystem</b> Grow and deepen ecosystem partnerships	Drive ecosystem partnerships to accelerate customer acquisition, drive credit underwriting and improve product offerings	We expanded our digital connectivity and grew ecosystem partnerships across countries, leveraging the application programming interfaces (APIs) we have been developing since 2017. Over the year, we doubled the number of APIs published to more than 350 and connected with over 90 external partners. We remained among the largest banking API platforms in the world.												
			<p>We partnered lifestyle providers from various sectors including shopping, transport, food and entertainment as part of our agenda to embed ourselves in our customers' everyday lives. In Singapore, we launched the DBS Car, Property and Electricity Marketplaces. The DBS Car Marketplace is the largest direct seller-to-buyer car market in Singapore. The DBS Property Marketplace connects tenants and landlords and is the largest of its kind in Southeast Asia by a bank. We also introduced DBS Electricity Marketplace and added it to the functionalities and use cases for our mobile wallet, DBS PayLah!. We invested in a mobile and online classifieds marketplace, Carousell, and collaborated to offer financial products and payment services on its platforms across the region. We also expanded our partnerships with telecommunications and data companies to enhance digibank offerings in India and Indonesia.</p> <p>On the corporate front, our focus was to deepen industry ecosystems and expand our accounting platform partnerships. We partnered PSA in Singapore to develop a global trade and supply chain platform, Calista. We also partnered Wanxiang in China to develop a blockchain trade platform for the automotive sector. We continued to broaden our accounting platform partnerships in Singapore, Hong Kong and Indonesia. Leveraging our RAPID APIs, we partnered corporate clients across industries such as insurance and transport to provide them with instant payment capabilities and help transform their sales, payment and collections processes.</p>												
	<b>Acquire</b> Grow number of customers acquired digitally	Increase digital acquisition of customers and grow digital channel share	Gained traction in digital acquisition across customers, products and countries												
			<p><b>Growth in digibank customers acquired in India &amp; Indonesia</b></p>  <p>Added &gt;1.2 million customers in 2018. 2.7 million customers since launch</p>												
			<p><b>Channel share of SMEs acquired digitally</b></p> <table border="0"> <tr> <td> <b>79%</b> (2018) vs 80% (2017)</td> <td> <b>32%</b> (2018) vs 23% (2017)</td> </tr> <tr> <td> <b>7%</b> (2018)</td> <td> <b>98%</b> (2018) vs 98% (2017)</td> </tr> </table>	 <b>79%</b> (2018) vs 80% (2017)	 <b>32%</b> (2018) vs 23% (2017)	 <b>7%</b> (2018)	 <b>98%</b> (2018) vs 98% (2017)								
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			<p><b>Channel share of consumer products sold digitally</b></p> <table border="1"> <thead> <tr> <th></th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td><b>Deposits</b></td> <td>42%</td> <td><b>53%</b></td> </tr> <tr> <td><b>Cards</b></td> <td>46%</td> <td><b>64%</b></td> </tr> <tr> <td><b>General Insurance</b></td> <td>51%</td> <td><b>60%</b></td> </tr> </tbody> </table>		2017	2018	<b>Deposits</b>	42%	<b>53%</b>	<b>Cards</b>	46%	<b>64%</b>	<b>General Insurance</b>	51%	<b>60%</b>
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## “Making Banking Joyful” KPIs

	KPI	Target	Outcome
Digital transformation	<b>Transact</b> Reduce manual efforts by driving end-to-end straight-through processing and instant fulfilment	Increase automation across units, products and channels	<p>We focused on automating our processes by driving straight-through processing and instant fulfilment.</p> <p>We achieved 21% automation across processes in Singapore and kept our operations headcount flat despite a significant growth in transactions.</p> <p>We continued to drive automation in support functions. HR has started to recruit differently by using Jobs Intelligence Maestro (JIM), a virtual recruitment bot that helps review resumes and pre-screen job applicants. JIM has reduced candidate screening time by 75%, freeing up recruiters' time so that they can do more high-value work. In Finance, we digitised the identification of rate anomalies in the markets, which helped improve efficiency in tracking more than 140,000 market rates daily.</p>
	<b>Engage</b> Drive 'sticky' customer behaviour and cross-buy through contextual marketing	Drive digital engagement with customers through products, insights and innovative communication	<p>We made progress in growing 'top of funnel' contribution via content, contextual and community communication. Our branding campaigns, such as 'Live more Bank less' and Sparks mini-series, influenced close to 10% of enquiries on the DBS public web. We also increased our social media fanbase by 15% to 9 million.</p> <p>We improved the user experience of our retail digital platforms, resulting in higher usage rates and better user ratings across countries. We continued to see improvements in our digibank ratings. We offered differentiated insights on key Asian economies and industries via our Asian Insights platform across our digital channels. The readership of research articles on our iWealth app grew 60% and traffic to our Asian Insights content increased 25%.</p> <p>For institutional customers, we conducted more than 23 co-creation workshops to drive better satisfaction and deliver tailor-made solutions. We leveraged DBS Treasury Prism – the world's first online simulation tool to help corporate clients derive optimised cash management solutions – to win cash mandates, build deeper relationships and increase customer stickiness.</p> <p>The use of big data analytics and models has allowed us to grow our digital footprint and better engage customers through contextual marketing, resulting in a 23% increase in campaign revenues for CBG in Singapore and incremental deposits in the SME space.</p>
Capturing value created from digitalisation	Grow digital customers (Consumer and SME, Singapore and Hong Kong)		<p>The number of digital customers increased from 2.5 million in 2017 to 2.9 million in 2018<sup>(4)</sup>.</p> <p><i>(4) 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; or (iii) done more than 50% of non-financial transactions via digital channels</i></p>
	Drive digital customers' income (Consumer and SME, Singapore and Hong Kong)		<p>There was higher engagement and income from our digital customers compared to non-digital customers. Within CBG and SME (Singapore and Hong Kong), income from digitally engaged customers increased 27% year-on-year. The income earned from a digital customer was twice of a traditional customer.</p>

## “Making Banking Joyful” KPIs

KPI	Target	Outcome
<b>Reimagining customer and employee experiences</b>	Drive journey thinking and demonstrate outcomes from new and in-progress journeys	<p>We continued to focus on customer journeys. We added 150 journeys during the year, bringing the total to 600. Many of these journeys have delivered or are in the midst of delivering outcomes towards our digital acquisition, transaction and engagement targets.</p> <p>These journeys leveraged customer science to make banking joyful for both customers and employees. For example, the customer centre team reduced inbound calls by 14% in Singapore using customer science.</p>
<b>Being a data-driven company</b>	Increase data analytics projects to drive a data-driven culture	<p>In our endeavour to be a data-driven company, we undertook more than 200 data analytics projects across the bank in 2018, doubling the number of projects in 2017. We made significant progress in driving a data-first culture, including the use of data analytics to drive contextual marketing income, leveraging machine learning for key processes such as anti-money laundering where we reduced 30% of manual reviews of AML alerts, and the use of dashboards.</p>
<b>Creating a startup culture</b>	Inculcate a startup 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>We continued to make progress in changing the way we work to be more agile and nimble. Increasing pockets of the bank are adopting agile ways of working. We drove the use of data and analytics and increased data resources embedded within business and support units. We also pioneered a new meeting culture, ‘Mojo’, to increase meeting effectiveness, and this is now widely used across the bank.</p> <p>During the year, over 17,000 employees were involved in innovation programmes such as hackathons, incubators, workshops, platform events and partnerships with the fintech community.</p> <p>We expanded our JoySpace programme, investing in transforming spaces to build a startup culture, foster collaboration and ideation, and enable the future way of working. Close to 400,000 square feet of JoySpace have been created through the programme so far, impacting over 4,600 staff in the region. More than 125,000 square feet were added in 2018 alone.</p>