



**DIGITAL**

**TRANSFORMATION 2.0**

I n v e s t o r   D a y   2 0 2 3

## **Overview**

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# Our investment thesis



**Diversified  
access to  
Asia's growth**



**Financial  
outperformance  
driven by digital  
transformation**



**Growth  
opportunities  
from early moves  
in Sustainability**



# Our investment thesis



**Diversified  
access to  
Asia's growth**

Structural drivers of Asia's long term growth remain intact

Large Asian markets offer significant growth upside

Singapore, a bridge between East and West, beneficiary of growing regional trade

# Our investment thesis

**Growth opportunities from early moves in Sustainability**

Annual sustainability banking revenue pool of >US\$30b in Asia through 2030<sup>1</sup>

Transition pathways allow us to create innovative solutions for our clients

Sustainability-linked revenues quadrupled over the last three years to c. S\$300m

<sup>1</sup> McKinsey Global Banking Annual Review 2022: Banking on a Sustainable Path

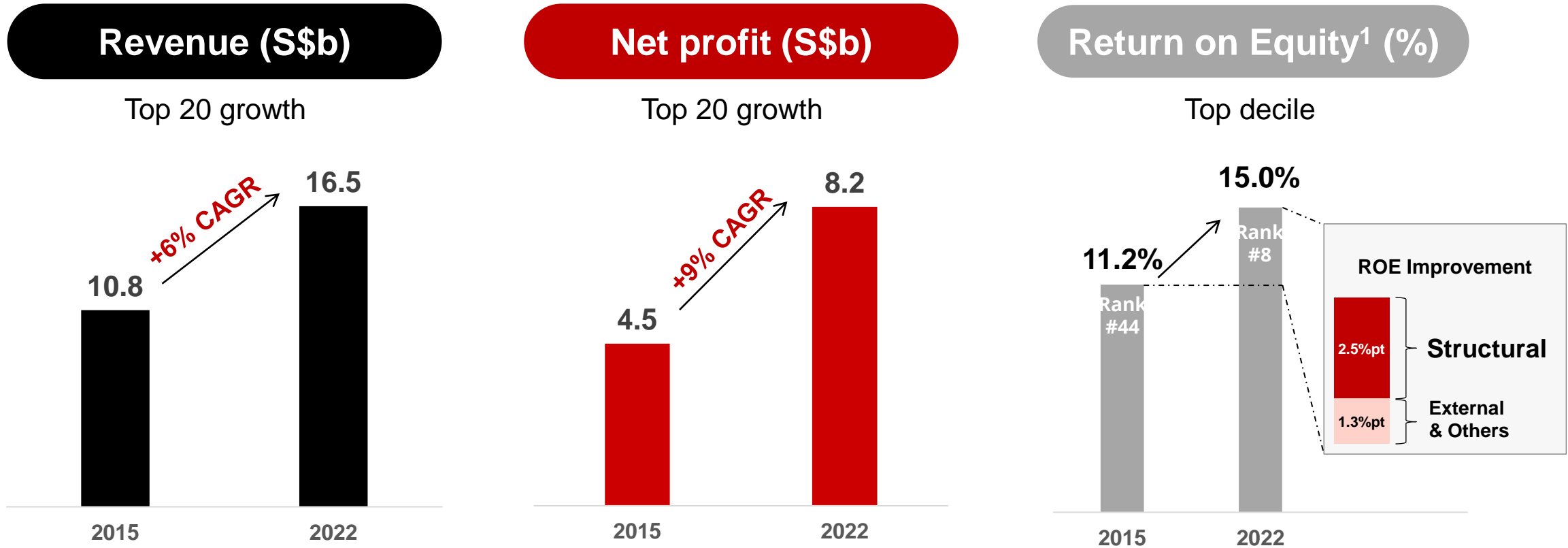
# Investor Day 2023

Diversified  
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Asia's growth

**Financial  
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Growth  
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# Financial outperformance driven by digital transformation



<sup>1</sup> Global peer universe comprises the 100 largest banks by assets. Data as at 31 December 2022

# What we have achieved since 2017...

## Transforming the way we manage...

*... leading to superior business outcomes*

**1** Continued to create sustainable advantage with technology

**2** Changed the way we work

**3** Redesigned credit processes for scale and effectiveness

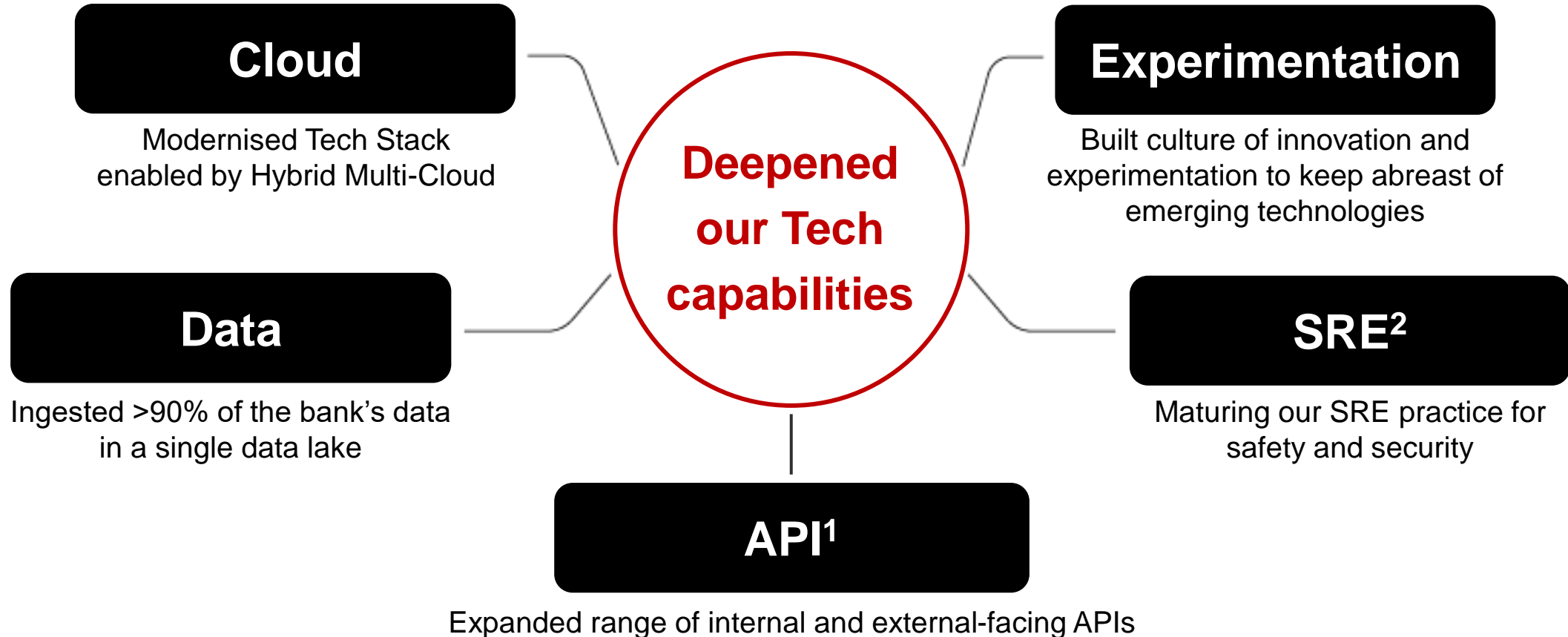
**4** Delivered on our goals in Consumer & SME

**5** Created outperformance in PB, GTS and T&M through digitalisation

**6** Started scaling in growth markets

# 1. Continued to create sustainable advantage with technology

Multi-year journey of building our own technology DNA



<sup>1</sup> Application Programming Interface / <sup>2</sup> Site-Reliability Engineering



## 2. Changed the way we work

Breaking organisational silos, becoming data-driven and extending reach through partners

**Managing  
through  
Journeys**

**Driving horizontal  
collaboration for  
efficiency &  
effectiveness**

**Data / AI**

**Industrialising AI to  
drive broad-based  
financial outcomes**

**Ecosystems**

**Acquiring customers at  
scale through  
partnerships**

# 3. Redesigned credit processes for scale and effectiveness

Driving scale and managing portfolio risk through Data and AI/ML



**Growing in new segments and markets through data-driven underwriting**



**Enhancing effectiveness of portfolio management with early warnings and triggers**

## 4. Delivered on our goals in Consumer & SME

Income (S\$b)

4.1 → 6.8  
2015 → 2022

Cost to Income (%)

49 → 40  
2015 → 2022

Return on Equity (%)

22 → 37  
2015 → 2022



- Doubled digital share of customers to 60%
- Closed last mile gaps
- Further rationalised our distribution
- Broadened our product range
- Made digital marketing more effective
- Gained access to new market segments

# 5. Top four private bank in Asia<sup>1</sup>

## AUM Growth<sup>2</sup>

**9%** CAGR<sup>3</sup> vs **3.1%** Asian Peers<sup>4</sup>

## Income (S\$b)

**1.1** 2017 → **1.7** 2022

## Cost to Income (%)

**46%** 2022 vs **69%** Asian Average<sup>5</sup>

## Return on Equity (%)

**16** 2017 → **30** 2022



- Sharpened phygital model to leverage RMs and technology
- Outperformed on RoAUM driven by enhanced client engagement

<sup>1</sup> 2022 APB PB AUM League Table / <sup>2</sup> 2017-2022 / <sup>3</sup> AUM growth of High Net Worth Individuals including DBS PB, TPC and Treasures customers with AUM ≥ \$1.5m / <sup>4</sup> AUM growth of PB/HNW clients' of the following banks in Asian markets: UBS, Credit Suisse, HSBC, Morgan Stanley, Julius Baer, JP Morgan, Bank of Singapore, Goldman Sachs / <sup>5</sup> McKinsey Asia Private Banking Survey 2022

## 5. Scaled our Global Transaction Services franchise

**Income (S\$b)**

**1.9** → **3.3**  
2017 → 2022

**Cost to Income (%)**

**38** → **32**  
2017 → 2022

**Return on Equity (%)**

**18** → **38**  
2017 → 2022



- Improved market access and capacity, and reduced latency
- Capitalised on shift from offline-to-online commerce through high-volume, low-value, real-time payments
- Captured supply chain shifts through API capabilities

# 5. Digitised Treasury & Markets

## Income<sup>1</sup> (S\$b)

1.9 → 2.7  
2017 → 2022

## Cost to Income (%)

50 → 44  
2017 → 2022

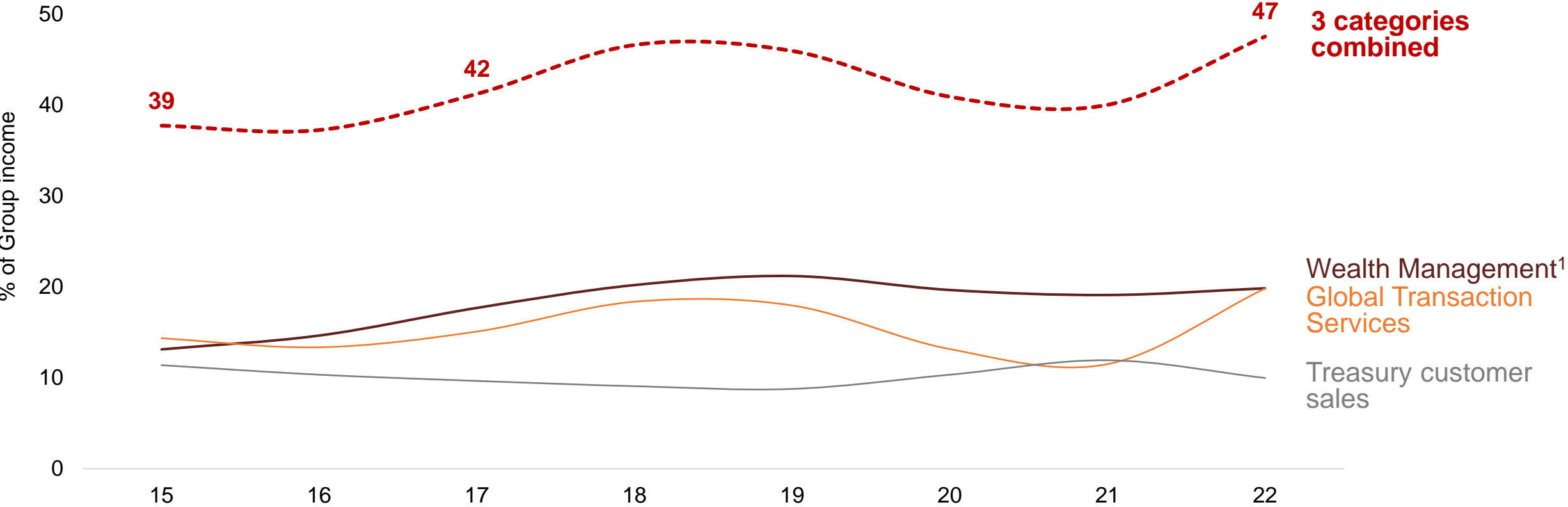
## Return on Equity (%)

8 → 14  
2017 → 2022

- Enabled pricing and structuring at scale and speed
- Implemented electronic distribution within and outside of the bank
- Improved trading efficiency by enhancing risk warehousing

<sup>1</sup> Figures exclude revenue from debt capital markets

# 5. Increasing contribution from capital-light, high-return businesses



<sup>1</sup> Wealth management income comprising Treasures, TPC and PB

## 6. Scaling our India franchise

### Income (S\$m)

183 → 551  
2017 → 2022

### Cost to Income (%)

86 → 78  
2017 → 2022

### Return on Equity (%)

(3) → 5  
2017 → 2022



- Expanded network to >500 branches
- Full-service platform, similar to any local bank
- Leveraging digital capabilities and ecosystem partnerships to capture high-growth Consumer and SME segments



# Agenda

**Overview**

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**Group Financials**

**Closing Remarks**

**Enablers**

**Technology Capabilities**

*Powering the future of banking with  
Data & AI*

**New Way of Working**

*Streamlining customer & employee  
journeys via workflows & workbenches*

**Credit Risk Management**

**Businesses  
& growth  
markets**

**Consumer &  
SME**

*Leveraging open  
banking to  
democratise wealth  
solutions*

**Private  
Banking**

**GTS**

*Enabling growth for  
businesses through  
digital  
transformation*

**T&M**

*Transforming  
personalised  
services-at-scale  
with Digimarkets*

**India**

**Presentation**

*Showcases*

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