



DIGITAL

TRANSFORMATION 2.0

I n v e s t o r D a y 2 0 2 3

Consumer and SME

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Group Head, Consumer Banking Group & Wealth Management

Agenda

- 01** Where we left off: **Digital outperformance continues**
- 02** What we have done: **Enhanced our digital proposition to reduce cost, grow revenue, and gain market share**
- 03** Where we are going: **Grow customer wallet share**

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Recap of our 2017 thesis: Digitalisation has led to superior financial and operating performance

Consumer and SME (Singapore, Hong Kong)

How we changed the business

- Acquire**
- Ecosystem strategy for wider outreach
 - Data-driven digital marketing and search engine optimisation
 - Digital onboarding

- Transact**
- Paper-less, straight-through processing
 - Seamless, omni-channel

- Engage**
- Embed ourselves in the customer journey
 - Contextualise research and marketing for cross-sell

Superior returns on Digital segment

Digital customers have **lower CIR and higher ROE**

Digital customers are **more engaged and do more transactions**

Digital customers have **higher income and lower cost-to-serve as a % of income**



Digital customers continue to outperform Traditional customers

Consumer and SME (Singapore, Hong Kong)

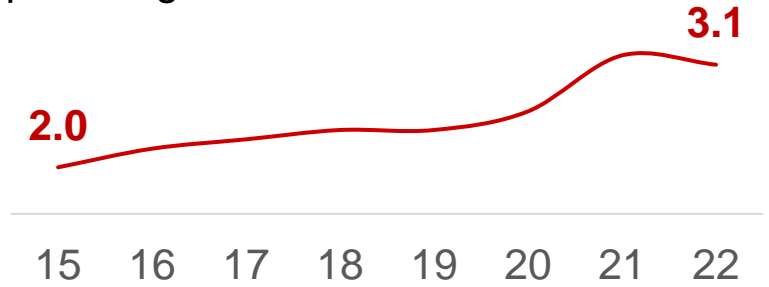
Engagement via digital

Product holdings multiple of digital vs. traditional

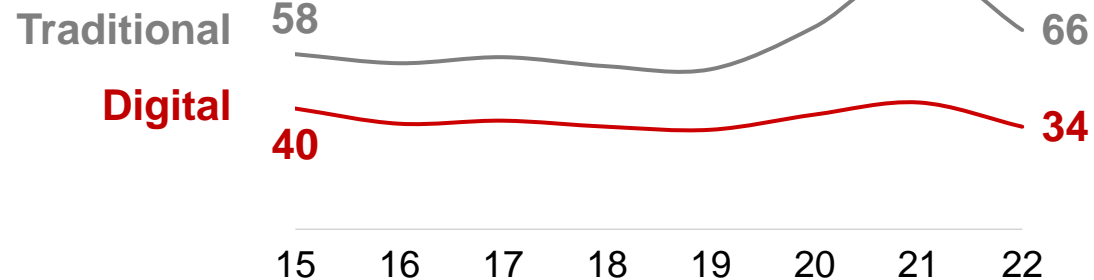


Income via digital

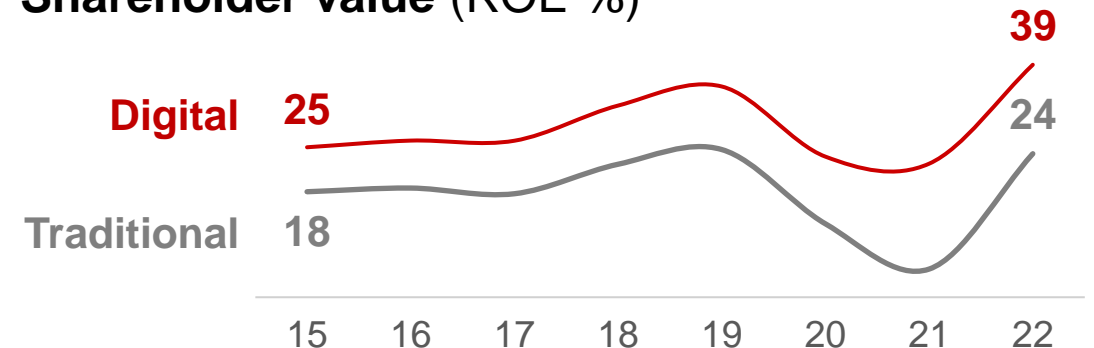
Income multiple of digital vs. traditional



Cost-income ratio



Shareholder value (ROE %)



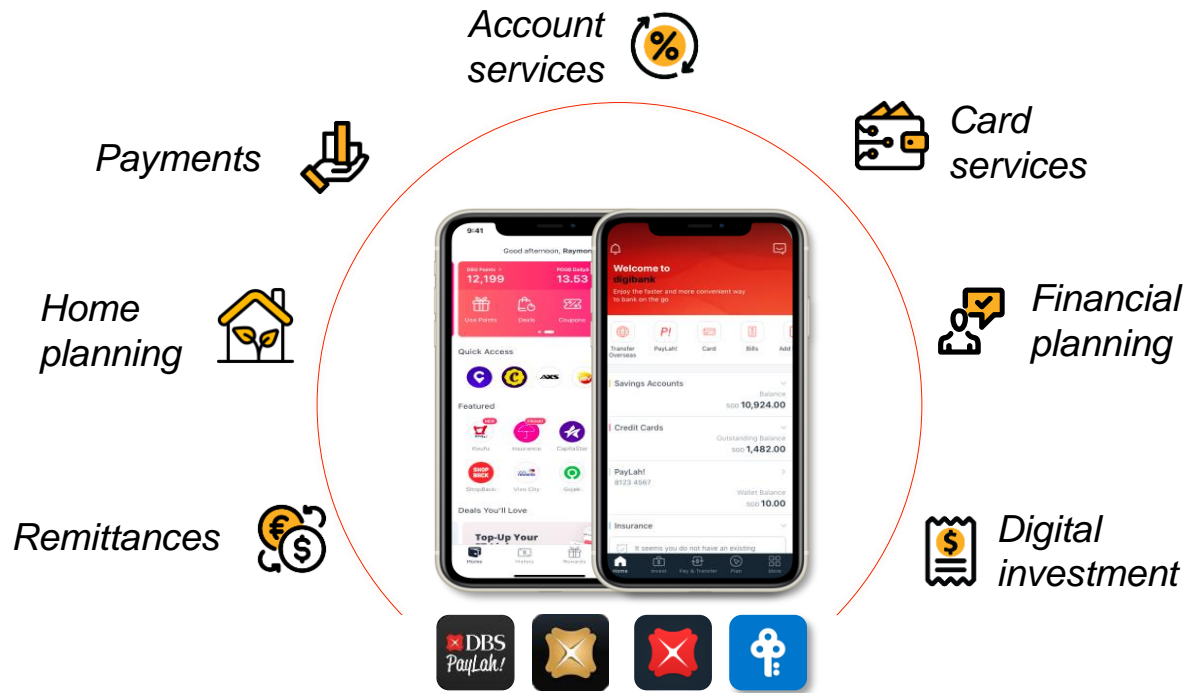
Agenda

01 Where we left off: **Digital outperformance continues**

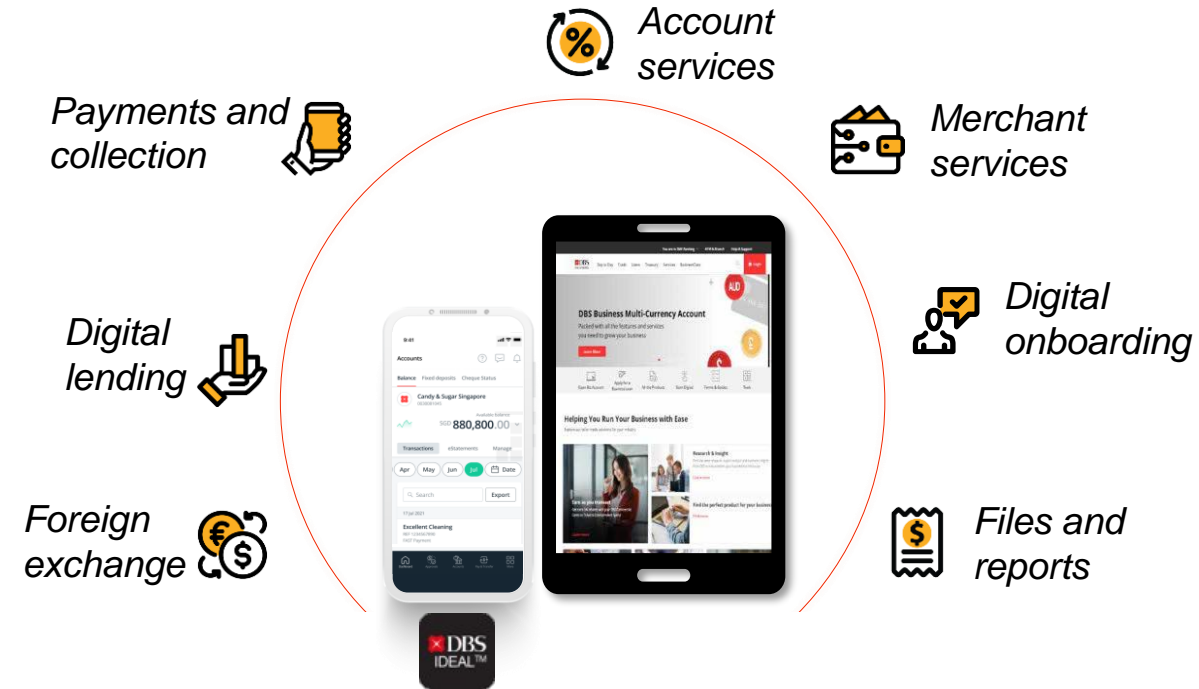
02 What we have done: **Enhanced our digital proposition to reduce cost, grow revenue, and gain market share**

03 Where we are going: **Grow customer wallet share**

A comprehensive digital proposition in Singapore. Fully embedded in the customer journey



**Companion App for
consumer banking
(Digibank and PayLah!)**



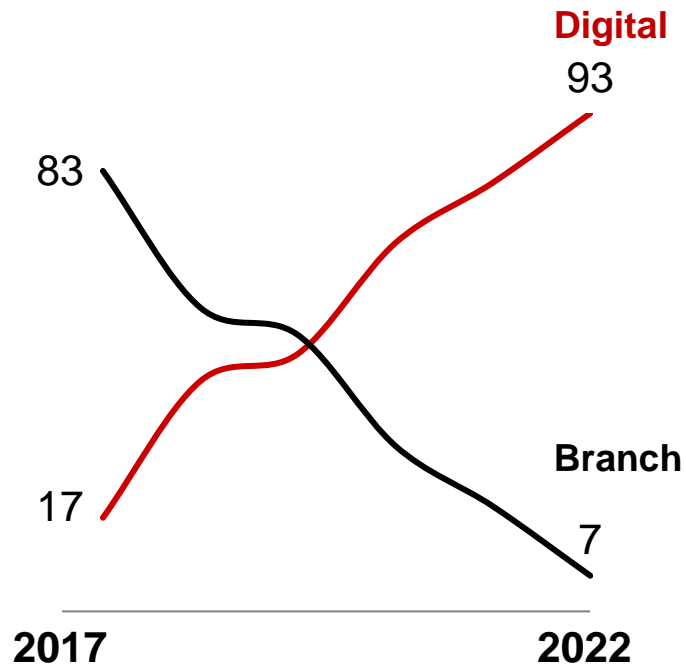
**Multi-channel for
SME banking
(IDEAL app & Public Web)**

Digitalisation has lowered cost-to-acquire and cost-to-serve

Digital onboarding

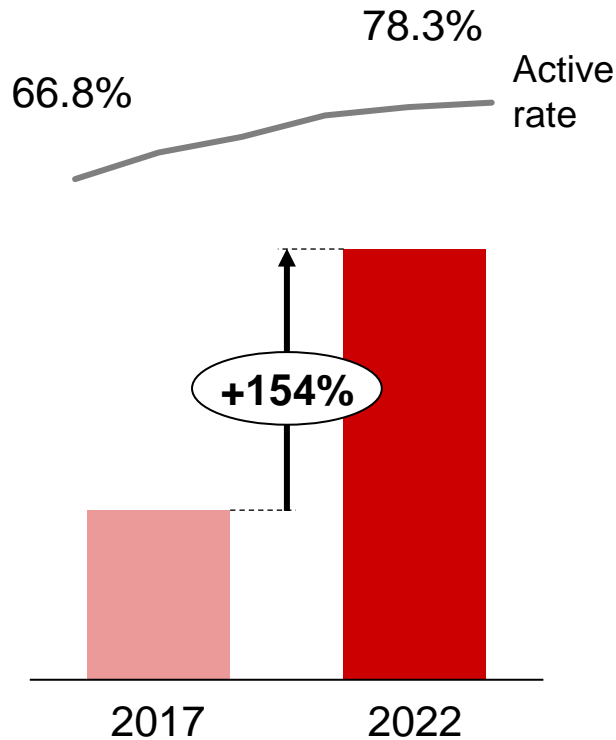
Increased digital channel share, with shift from desktop to mobile

Digital onboarding (%)



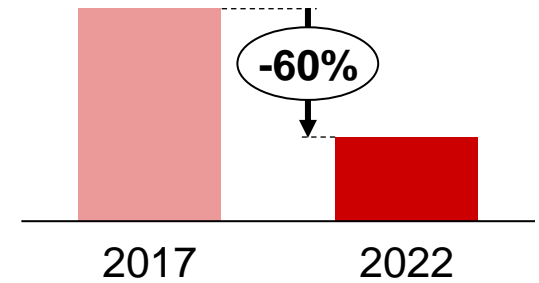
Digital transactions

Increased active digibank rate, and digital transaction volume

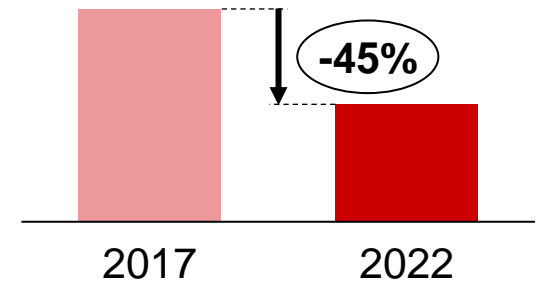


Financial outcomes

Lower cost-to-acquire per account



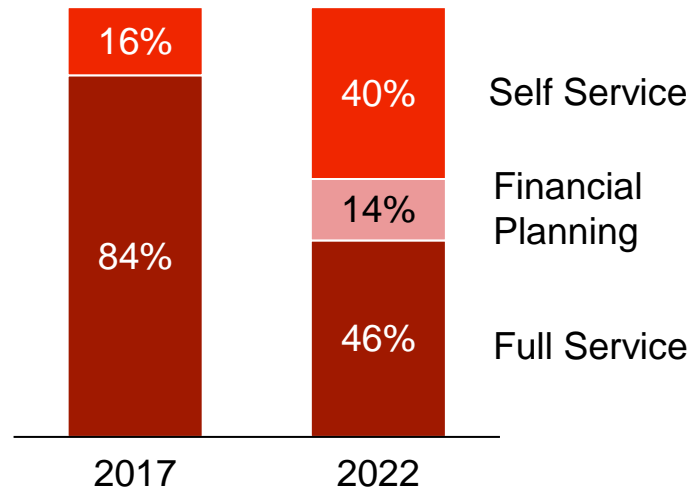
Lower cost-to-serve per transaction



Network and servicing transformation have reduced costs

Phygital banking

Manned touchpoints optimised through reduction in branch arrivals

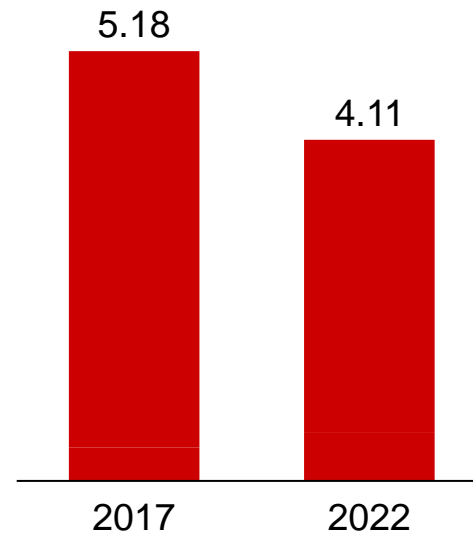


67% reduction in branch arrivals

Call center servicing

Manned calls reduced through digital-first servicing

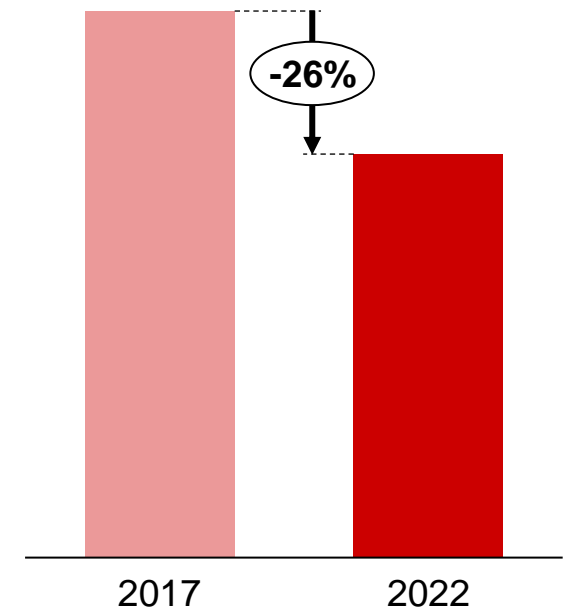
Demand volume (m)



Proactive & predictive interception
Data-driven help & support
Personalised chat bot

Financial outcomes

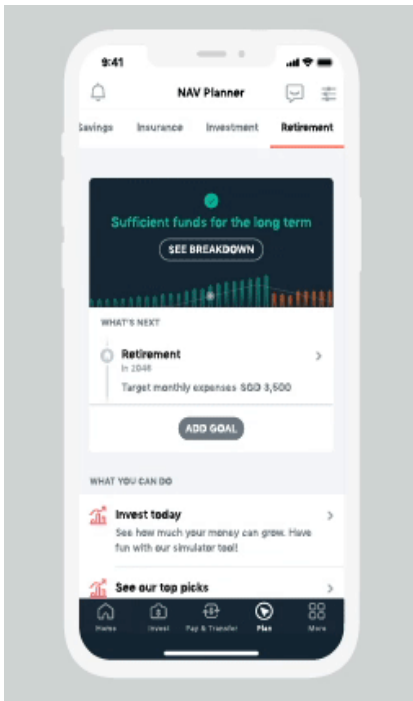
Lower branch and call center costs (\$)



Data and AI/ML have enabled access to new segments: Democratisation of wealth



DBS digital advisor

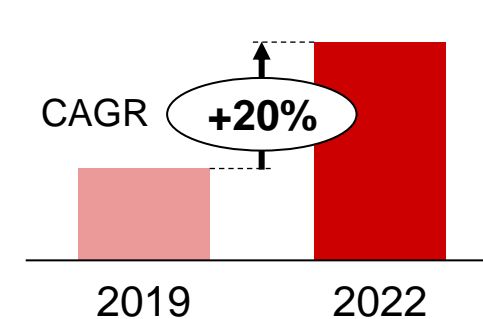


- 1 One-stop tool for financial planning
- 2 Open banking for holistic view of customers' financials
- 3 Hyper-personalised and contextualised nudges
- 4 Digital fulfilment through DIY investing solutions
- 5 Bite-size budget investment portfolio with digiPortfolio
- 6 Online to offline tele-advisory service for customers who need more help

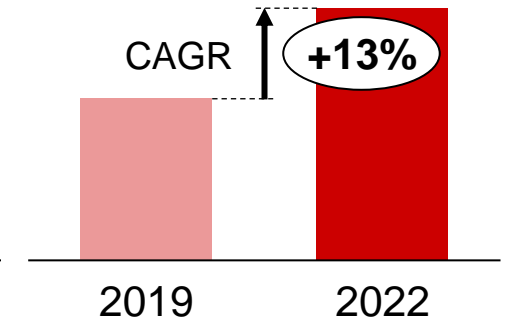
3M customers engaged with **280M** nudges
2.7M transactions generating **\$47B** trading volume
6X increase in premium for digital insurance

Financial outcomes

Higher investment
AUM (\$)



Higher investment
income (\$)



Banca regular
premium market share

39% to **47%**
#1 in SG

CPF market share

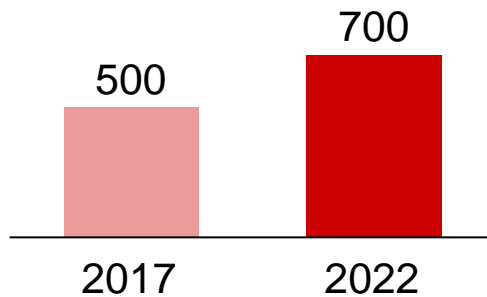
SRS 48% to **62%**
CPFIA 42% to **44%**

Redesigning the Treasures business has increased wealth revenue

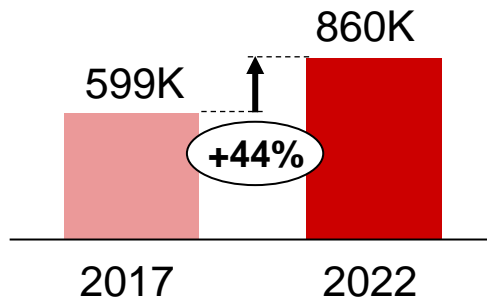
RM performance

Higher RM productivity

of clients per wealth manager



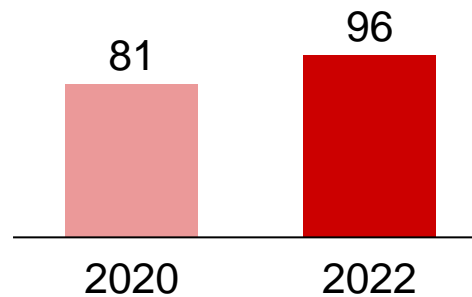
Productivity per RM per annum (\$'000)



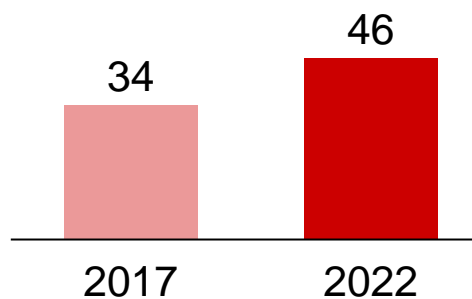
Customer engagement

Deepened engagement through Next-Best-Nudges

% customers who received nudges

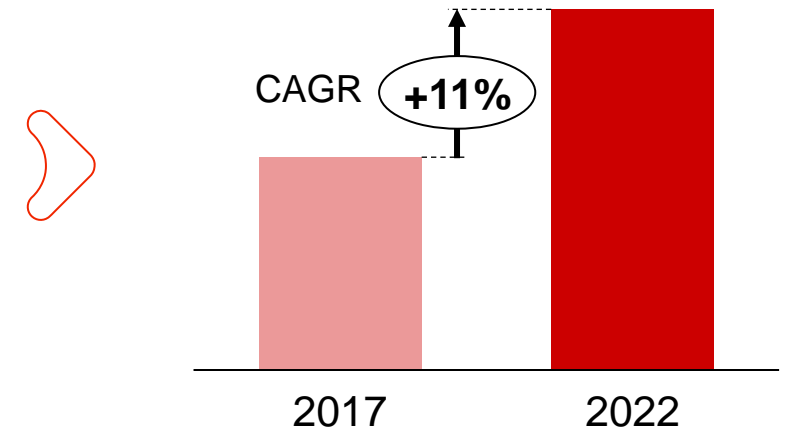


% of customers with wealth products



Financial outcomes

Higher Treasures investment & insurance income (\$)

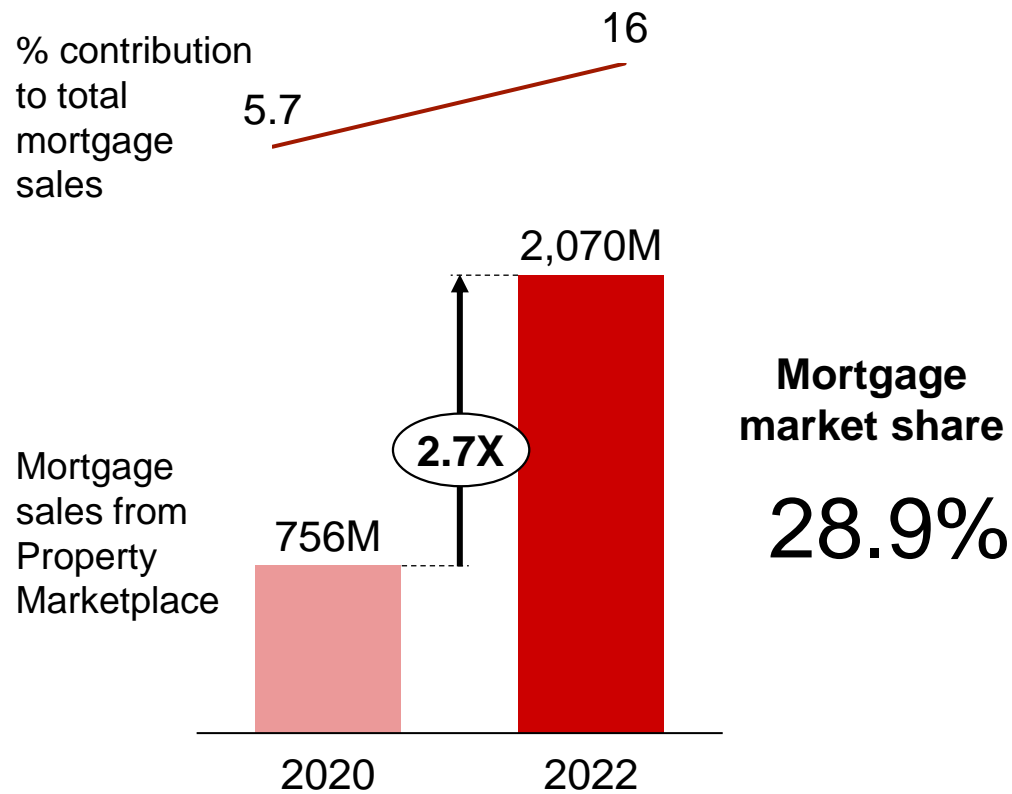


Strong growth in fee income:

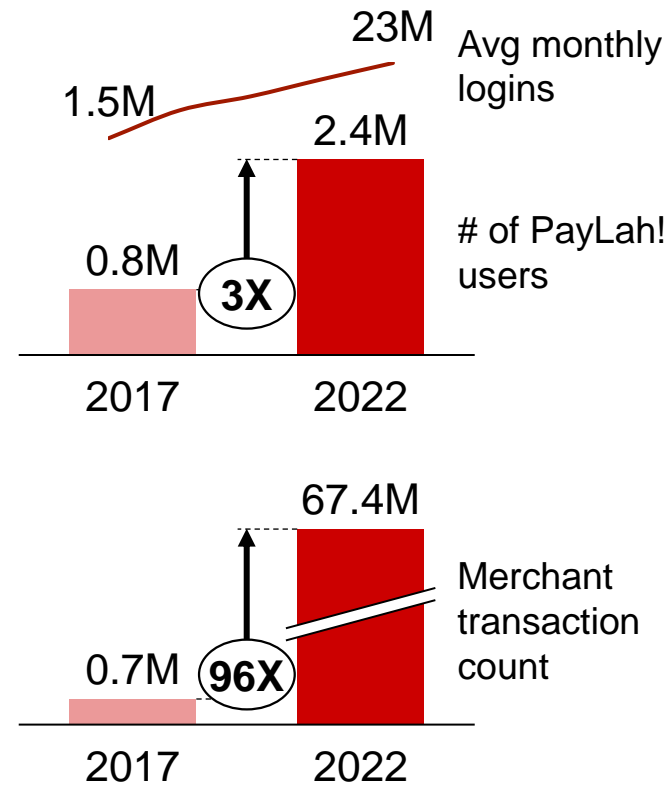
- Higher digital engagement
- Greater RM assisted transactions

Ecosystems and marketplaces have enabled customer acquisition, extended distribution and improved customer stickiness

Increased mortgage sales with Property Marketplace



Increased ubiquity of PayLah



Deposits market share

52% to **54%**

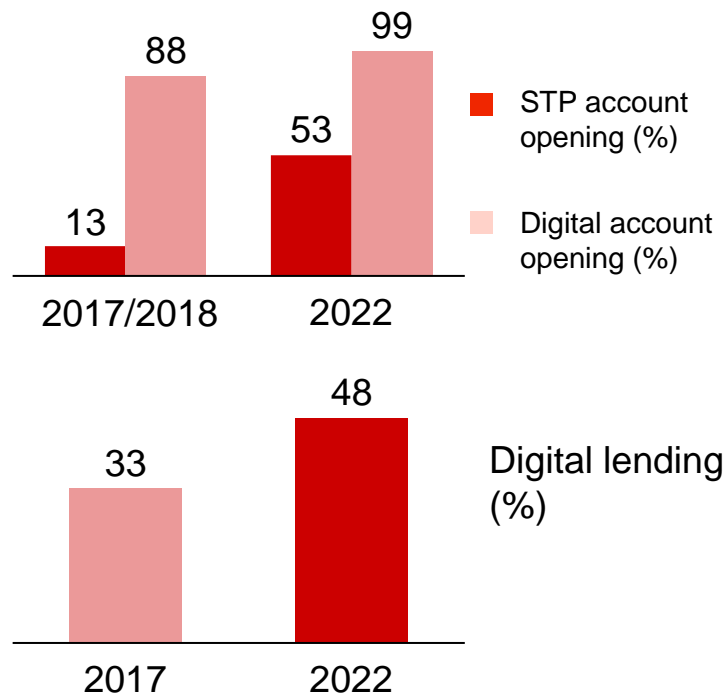
Cards market share

18% to **22%**

The digitalised SME operating model has scaled up acquisition, transaction and engagement and enabled access to new segments

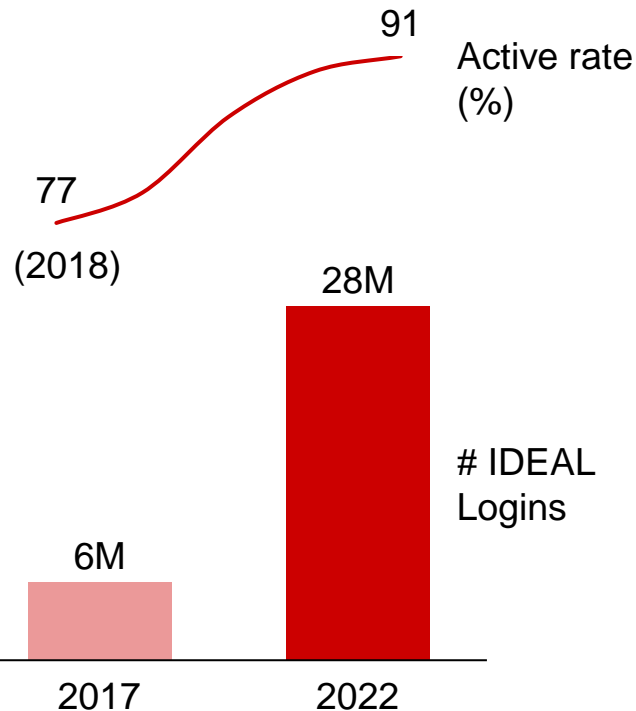
Acquire

Increased digital onboarding and lending



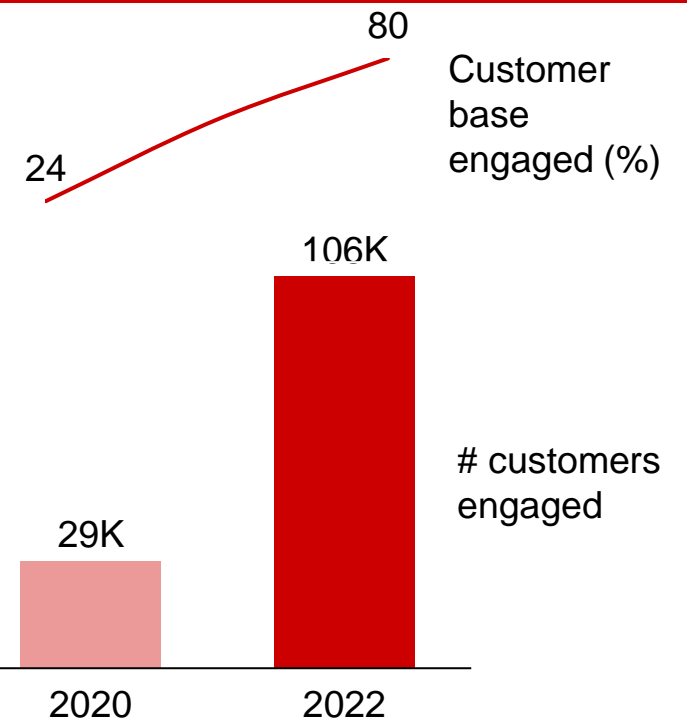
Transact

Increased activity on IDEAL



Engage

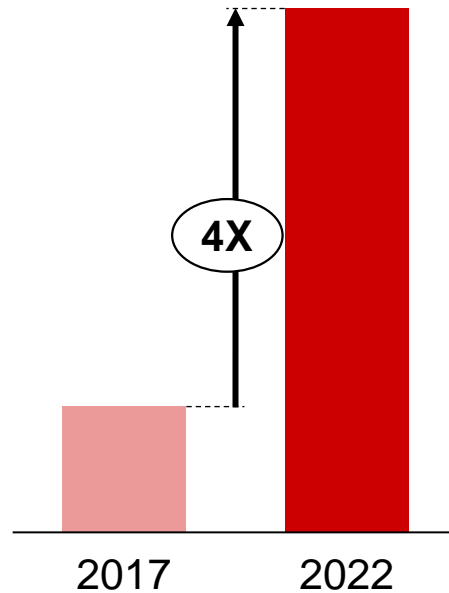
Increased SME customers receiving digital nudges



This has given rise to higher revenue, fee income and balance sheet growth

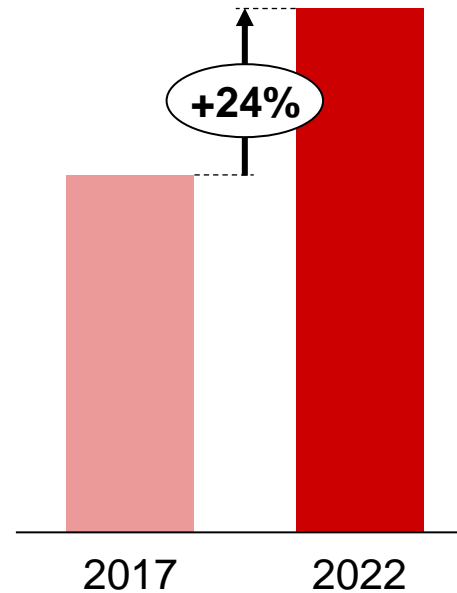
Loan balances

Increase in unsecured loan book (\$)



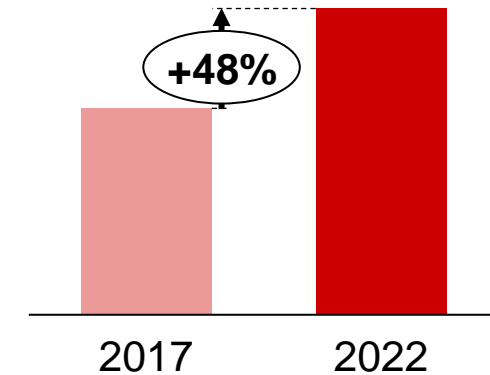
FX revenue

Increase in fee revenue per customer (\$)



Customer revenue

Increase in revenue per customer (\$)



Growth in share for micro-SME unsecured loans
18% to **34%**

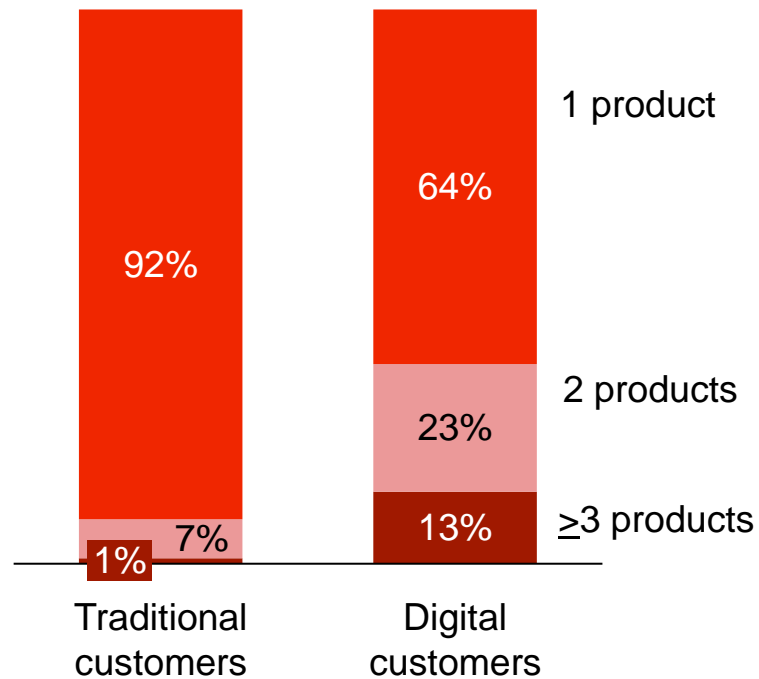
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Opportunity to grow customer wallet share especially in investment and insurance

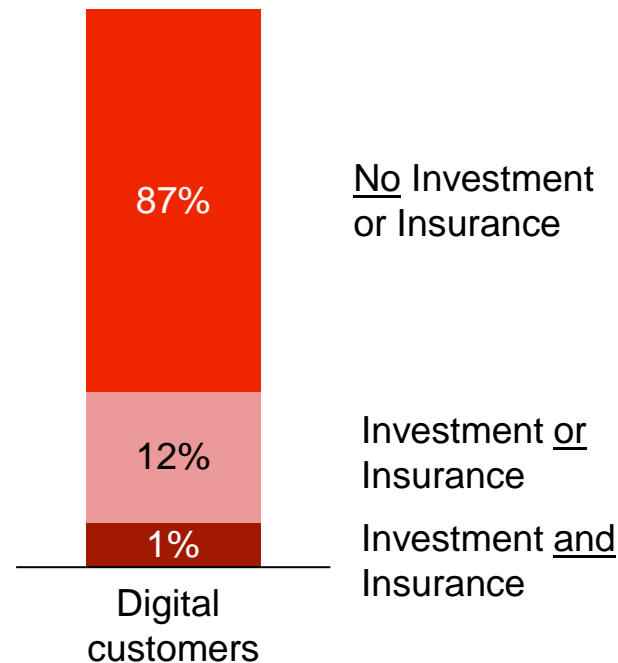
Product holding

64% of digital customers hold only 1 product. Opportunity to grow wallet share further

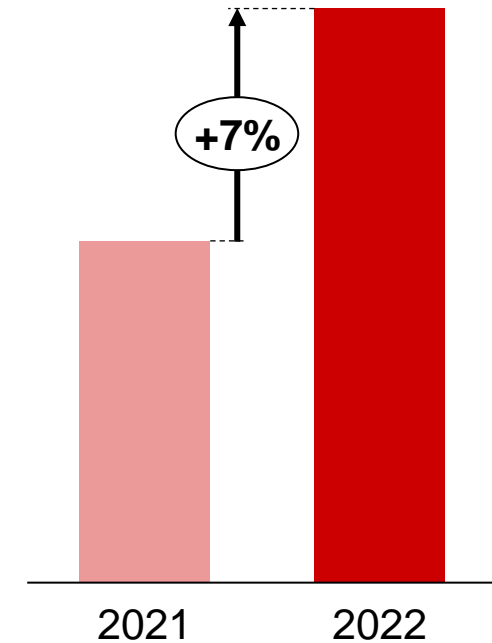


Investment and insurance holding of digital customers

87% of digital customers yet to hold investment or insurance



Encouraging growth in customers taking up investment and/or insurance

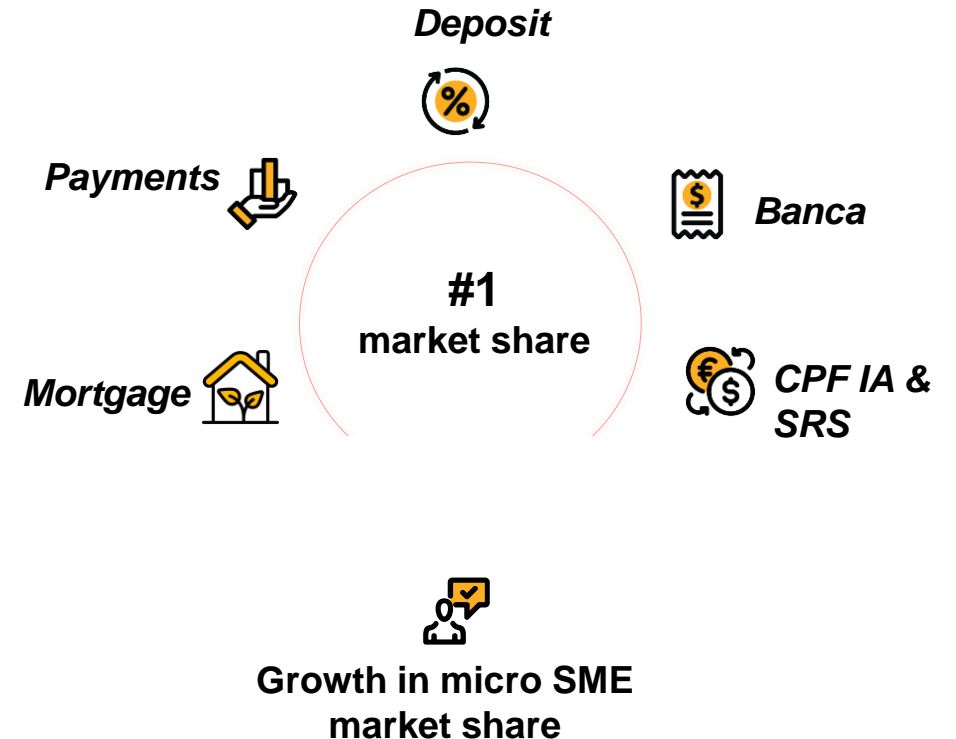


This is DBS Digibanking. Distinctive. Comprehensive. End-to-end.

01 Where we left off: **Digital outperformance continues**

02 What we have done: **Our robust digital proposition has spurred cost reductions and revenue growth**

03 Where we are going: **We will continue to grow customer wallet share**



This is DBS digibanking ✖



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