

**DBS. Asia's
Best Bank**

and now the
**World's Best
Digital Bank.**



Live more, bank less.

At DBS, we understand that technology and mobility have seamlessly integrated banking with our customers' everyday lives. The result is banking that is so easy, fast and effortless that it enables people to do more of what they want – **Live more.**

By creating banking experiences that save time and put ease in banking, our customers actually get to **Bank less.**

That is why we have spent the past few years deeply immersed in the digital agenda. From consumer to corporate, SMEs to transaction banking and even the DBS Foundation, we have embedded ourselves in the customer journey and embraced digital to form a dynamic combination that will make banking increasingly simple and seamless.

This is our strong commitment towards 'Making Banking Joyful'. Today, we are proud to be recognised as Asia's Safest and Best Bank as well as the World's Best Digital Bank.



Asian Bank of the Year 2015
IFR Asia



Best Asia Commercial Bank 2015
Best Asia Investment Bank 2015
FinanceAsia



Asia's Best Bank 2016
Euromoney



Best Retail Bank in Asia Pacific 2016
The Asian Banker



Best Specialist Bank for SMEs 2016, APAC
The Asset

GLOBAL

EUROMONEY AWARDS FOR EXCELLENCE 2016

WORLD'S BEST DIGITAL BANK

DBS

Putting digital priorities at the heart of what a traditional bank does is easier said than done. At Singapore's DBS, actions are speaking louder than the words of its rivals

No conversation with DBS CEO Piyush Gupta goes far without turning to digital innovation or, as he puts it, re-imagining banking, as in: "If we don't completely reimagine banking we're going to die." To Gupta the banking world is full of threats, from Alibaba to Google, and only those banks that get ahead of the trend will thrive, or even survive. But Gupta also sees the threat as an opportunity.

Lots of executives talk about innovation in technology but what is striking about DBS is the depth to which it is ingrained in the bank's 22,000 staff. John Laurens, for example, an HSBC transaction services veteran who now runs that business at DBS, was struck when he arrived by a level of engagement with innovative thinking he had not seen before.

From Gupta's point of view, approaching it this way is practical; top-down leadership is one thing, but if you really want to change a whole culture, it also has to come from the bottom and everywhere in between.

Of course, DBS is not the only bank trying to achieve this. In its first year as a category, the award for the world's best digital bank was one of the hardest-fought of all. BBVA, based in Spain but operating a tech-savvy business around the world, has put digital at the heart of its business for more than a decade under its visionary executive chairman, Francisco González – Euromoney's banker of the year for 2016.

ING was the first bank in Europe to truly make a success of an online-only bank with its ING Direct platform. It continues to lead on the continent where others follow. Citi made a strong case for this award, notably in the way it uses tech innovation in both its consumer and wholesale businesses. If this award were limited to global universal banks, then Citi would win it.

The numbers around DBS's digital journey are impressive in their own right. Nearly S\$5 billion (\$3.7 billion) has already been invested in digital strategies – more than the bank's entire net profit for 2015. Some 70% of all transactions in Singapore are digital.

But it goes much further than pure numbers. Leaders in digital banking talk about the difference between digitizing aspects of a bank and creating a truly digital financial institution. DBS is doing this better than any other bank.

It is demonstrably the case that digital innovation pervades every part of the bank, from consumer to corporate, SMEs to transaction banking and even the DBS Foundation. About half of Singapore's population transacts online with DBS, and more than a quarter by mobile. The bank is committed to working with fintechs, funding incubators and accelerators and even incorporating hackathons into its internal talent development programmes.

It is outside Singapore that the sense of DBS's digital vision becomes clear. The Digibank launch in India is a landmark, India's first mobile-only bank that is paperless, branchless and involves no signatures. This is potentially transformative – a level of automation

ALSO SHORTLISTED FOR

WORLD'S BEST BANK

WORLD'S BEST EMERGING MARKET BANK



"It's not about a bank putting out another channel. This is a clean sheet of paper"

Piyush Gupta

that supposedly could attract five million customers using less staff than a typical outlet of McDonald's.

Digibank grasps an opportunity created by the Aadhaar biometric card, which stores the details of a billion Indians, and the financial infrastructure built on top of it. Thanks to this identification, there is no need for branches; accounts can be opened at 500 cafes across India, among other places. Customers converse with an artificial intelligence-powered assistant created in partnership with Kasisto, a fintech spin-off from the institute that created Siri. It is so low-cost that DBS can offer an introductory interest rate of 7% and still make a profit.

It is simple, but no other multinational has done it. Nandan Nilekani, co-founder of Infosys and former chairman of the Unique Identification Authority of India, calls it "a WhatsApp moment of banking".

And the DBS vision is to do it again and again, dispensing with the need for cumbersome international acquisitions or organic branch growth. Both China and Indonesia are believed to have similar programmes to Aadhaar underway – albeit in Indonesia's case through facial recognition technology – providing a similar foundation for digital banking growth.

"This is not just doing an app: we've been doing mobile banking for 15 years," Gupta says. "It's not about a bank putting out another channel. This is a clean sheet of paper."

CONSUMER BANKING

DBS digibank, India

Launched in 2016, DBS digibank is India's first mobile-only bank.



This revolutionary breakthrough is:

- ✓ paperless
- ✓ signatureless
- ✓ branchless

digibank by DBS

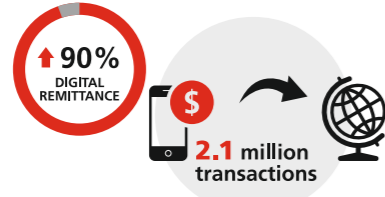
Credit card application

In 2015, almost 38% of new credit card sign-ups in Singapore came through digitally.

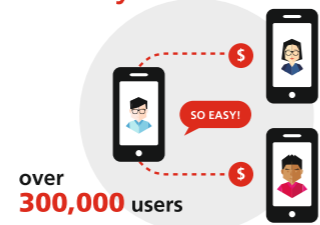


DBS Remit

Transactions have grown from 320,000 three years ago to almost 2.1 million overseas remittances in 2015.



DBS PayLah!



Innovative mobile wallet app that allows customers to transfer money instantly and conveniently to anyone, even non-DBS customers, using the recipient's mobile number.

DBS Omni

Hong Kong's first-of-its-kind credit card app that offers customers access to credit card summaries, transaction history, statements and credit limit at a glance.

WEALTH MANAGEMENT

DBS iWealth

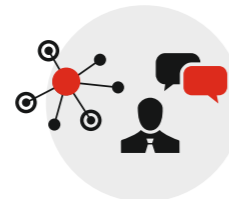
An all-in-one digital wealth management platform with powerful, customisable features and services that allow customers to manage their wealth and stay updated on market trends while on the go.



INSTITUTIONAL BANKING

DBS BusinessClass

An online social network for SMEs, launched in end 2014. The programme connects business owners with opportunities and the latest market news.



SINCE 2014:
20 networking events
400 conversations
15,000 SMEs

Digital account opening

51% of SME customers in Singapore opened their accounts online through our Online Account Opening Service.



DBS IDEAL

Available on desktop, tablet and mobile for our corporate banking customers. The app allows them to check account balances and cheque status as well as create and approve payments.



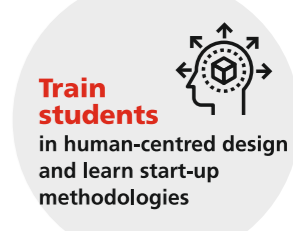
DBS Hackathons

An initiative across the region to tackle issues using emerging technology such as blockchain. The first bank in Asia to incorporate hackathons into our talent development programme.



UNI.CORN

A programme to reinvent internships for university students in Singapore. Instead of a conventional internship, students will be empowered to solve business challenges.



SOCIETY

DBS Foundation

AsiaForGood.com by DBS Foundation is an online platform that connects the digitally-savvy consumer to social enterprises and empowers people to make informed choices about the way they live and buy.

ASIA FOR GOOD.COM
by DBS FOUNDATION

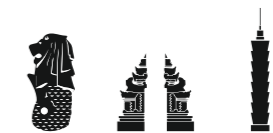
SINCE LAUNCH IN JUN 2015:

- 250** social enterprises
- 200** feature articles
- 45,000** visitors

EMPLOYEES

DBS Academy

A strong commitment to future proof our employees.



- Centres in Singapore, Indonesia & Taiwan**
- 129,000** training days for DBS employees in 2015
- 15,000** digital training sessions yearly



REGIONAL AWARDS

BEST BANK
BEST DIGITAL BANK
DBS

It is time to acknowledge a home-grown banking champion that, while still lacking the pan-Asian scope of some international rivals, has demonstrated consistent excellence and a commitment to innovation. At a time when many western banks are in retreat from Asia, it is right to applaud one that is increasing market penetration almost everywhere it attempts to do business.

Yet it is a surprisingly rare model in Asia. Asean-focused banks abound, but DBS is the only local house that seems to want to take on Greater China, India and Indonesia. As CEO Piyush Gupta notes: half the world lives there. There is plenty to do.

DBS is of sufficient scale now that it can stand comparison with global banks. Full year total income hit S\$10.8 billion (\$8 billion) in 2015 and net profit S\$4.45 billion, roughly what UBS earned in financial 2014; more importantly, both revenues and profits were up 12% year-on-year in a difficult environment.

Gupta is fond of a chart that cross-references year-on-year revenue growth and return on equity on a grid, comparing DBS with global peers. DBS is way out in the top right corner, its 11.2% return on equity number one of the best in the business. The other chart he loves is one that shows 27 consecutive quarters of earnings growth – a relentless upward march. We're only aware of two other banks in Asia that can say that; both are in China and it's fair to say neither is going to keep that streak alive much longer.

Better still, the growth is broad-based. When consumer banking income is up 20% year-on-year, wealth management up 29%, small and medium-sized enterprise banking 9%, transaction services 31% and even China-aided institutional banking, up 6%, it's clear that the business is not reliant on a single cylinder and can withstand a downturn in any one area. And resilience is something the bank takes very seriously: despite non-performing loans of just 0.9% at the



Piyush Gupta: DBS is reimagining banking, while delivering 27 quarters of earnings growth

end of 2015, its coverage ratio was 148% at the end of December, with a fully phased-in common equity tier-1 ratio of 12.4%.

So, the numbers tell us DBS deserves to be in the mix. But there's more to it than that.

Firstly, there's the bank's commitment not just to digital innovation, but, as Gupta likes to say, to reimagining banking. It pervades everything the bank does, and the digital bank launch in India has the potential to be enormously influential (see Asia's best digital bank).

Second is the fact that as these businesses have grown, they have come to have both regional relevance and a distinct identity. In wealth management, with the Société Générale acquisition now fully bedded in with minimal loss of people or cash, DBS is a shade outside the top five in the region by assets, with a model closely tuned to the needs of Asian entrepreneurs. It is highly ranked in corporate trade finance, a long-standing DBS priority. It has one of the best SME operations in Asia, getting deeper all the time.

Its dominance of Singapore dollar debt and Singaporean IPOs is to be expected, but the bank is also Asia's leading and most sophisticated real estate investment trust house, a big player in non-vanilla perpetual securities and other structured financing instruments, and a force in M&A far beyond Singapore. Its advice to Citic Private Equity on its acquisition of Biosensors International, and the privatization of XinRen

Aluminium Holdings, shows growing status in China – as does its idea to introduce Alibaba to Singapore Post, which has led to two stake purchases by the Chinese group. Almost a third of group income was from Greater China in 2015; the endgame will see India and Indonesia providing more to the total.

DBS's Foundation warrants mention too. The bank has a sophisticated corporate social responsibility programme, centred around championing social entrepreneurship through grant funding, and encourages its staff not only to volunteer but to lead. More than 4,000 staff out of a Singapore headcount of about 10,000 did so in 2015.

Piyush Gupta, the CEO of DBS, is a great believer in the threat to banking from platforms like Ant Financial, and in the opportunity available for those who get ahead of the game. Gupta has invested S\$4.6 billion in digital strategies in the last five years. He has also insisted that everyone in his team buy in to the vision, arguing that it is much easier to effect change if 22,000 staff believe in it than to try to drive it from the top down.

Everyone in banking management talks a good game in digital these days, but it is striking how deeply entrenched the ideas are in DBS. Senior bankers speak not only of the nuts and bolts of automation and cost control but about a serious investment in

getting an entire banking culture to think experimentally about the possibilities of technology.

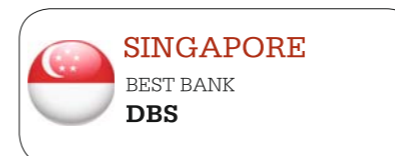
The same is true in consumer, where 70% of financial transactions in Singapore are already digital and P2P can already be authorised through thumbprint technology; in wealth management; and SMEs, where Hong Kong and Singapore customers can

now apply for a business account online in just five minutes and where venture debt solutions are offered to tech start-ups early in their life cycle.

The possibilities of digital mesh well with DBS's ambitions in more emerging markets than Singapore; in particular the recent launch of Digibank in India was instructive. The theory is that digital innovation allows

one to reach the mass market without having a thousand branches; indeed, DBS wants 5 million Indian customers through the venture despite it being so heavily automated and rich with artificial intelligence that it will probably only have about 60 staff. If Digibank works, there will never be a need to make an overseas acquisition again because people won't need the branches.

COUNTRY AWARDS



Though best bank DBS's long-term aspirations lie in Greater China, India and Indonesia, Singapore remains the dominant part of the business today: S\$6.68 billion (\$145 million) of full-year income in 2015 came from the city state, up 12% year on year, and well ahead of any local or foreign competitor.

Despite its size, it continues to gain

market share in its home base. It handles 25.3% of Singapore's home loans, a five-year high, and its credit card market share is at its highest since 2010.

Some 51% of retail savings accounts in Singapore are with DBS. It is now, for the first time, top in terms of new bancassurance business, with the potential for far greater growth after the launch of a 15-year regional partnership with Manulife.

Its wealth management business, now reinforced by the acquisition of Société Générale's private banking team, delivers three times the income it did in 2009 and is growing strongly. And DBS continues

to dominate both debt and equity capital markets in Singapore, leading 41% of all Singapore dollar bonds, maintaining its leadership of the real estate investment trust sector and taking issuers into dollar and renminbi bond markets.

It is increasingly active in advisory, boasts one of Asia's most sophisticated SME divisions headquartered from Singapore, and runs impressive syndicated finance and transaction services businesses too.

At the time of writing, while analysts are bearish on many of the world's banking sectors, 80% of those who cover the stock have a buy rating on DBS.

World's Best Digital Bank &
Asia's Best Bank 2016, Euromoney
Safest Bank, Asia 2009–2015, Global Finance



Living, Breathing Asia

