

01

LEADERSHIP

Outstanding **LEADERSHIP**
comes with commitment to excellence

SENIOR LEADERSHIP

“ Our leaders are committed to achieving excellence through **PEOPLE, QUALITY** and **CUSTOMERS** ”

The highly accomplished leaders of the CFS team direct day-to-day management of businesses and activities within the division and set the long-term strategies and goals for CFS. Our leaders strive to make CFS the “leading Wealth Management bank in core regional markets” by pursuing customer-centricity.

“ I provide our customers with **FAST, SIMPLE** and **USEFUL** services, delivered in a **FRIENDLY, CUSTOMER-CENTRIC** and consistent manner. ”

Our CFS service statement above, known as CUFFS, was launched after 2009’s global financial crisis which prompted a deliberate review of the team’s strategy to collectively form key strategies aimed at competitive differentiation.

2010

Review of CFS strategy and vision by its Leadership team through internal discussion and external feedback from customers

2011

CUFFS was launched

TODAY

Continuous effort to ensure that CUFFS is practised across businesses in terms of processes, communication and product development

The Development of CUFFS



CFS Leadership Offsite 2014

Emphasis on senior leadership practices, organisational culture and corporate social responsibility contribute to the success of CFS and are essential to the development of our organisation.

Leading by example, the CFS leadership team demonstrates their commitment to excellence in three key aspects - **People, Quality** and **Customers**.

OUR COMMITMENT		
 <p>PEOPLE</p>	 <p>QUALITY</p>	 <p>CUSTOMERS</p>
<ul style="list-style-type: none"> • Presentation of awards to staff • Investment of time and resources in staff training • Addressing new joiners personally at orientation • Actively participating in CSR and team bonding activities • Regular staff feedback, mentoring and coaching 	<ul style="list-style-type: none"> • Sponsoring process improvement, new product and innovation projects • Active engagement at Project Steering Committee sessions 	<ul style="list-style-type: none"> • Review of customer feedback and survey results for action • Personally attending to escalated complaints • Attending dispute resolution at FIDReC • Making courtesy calls to individual customers to capture regular feedback

Key Aspects to Achieve Excellence

CFS' leadership practices are continuously evaluated and professionally developed by the leaders themselves via an extensive range of feedback mechanisms and channels. These include coaching, customer feedback, executive development programmes and peer-review sessions. Our senior leaders diligently contribute to the industry through active participation in industry-relevant associations as committee members and by sharing and learning from industry best practices to further hone their skills.



Annual CFS Leadership Offsite

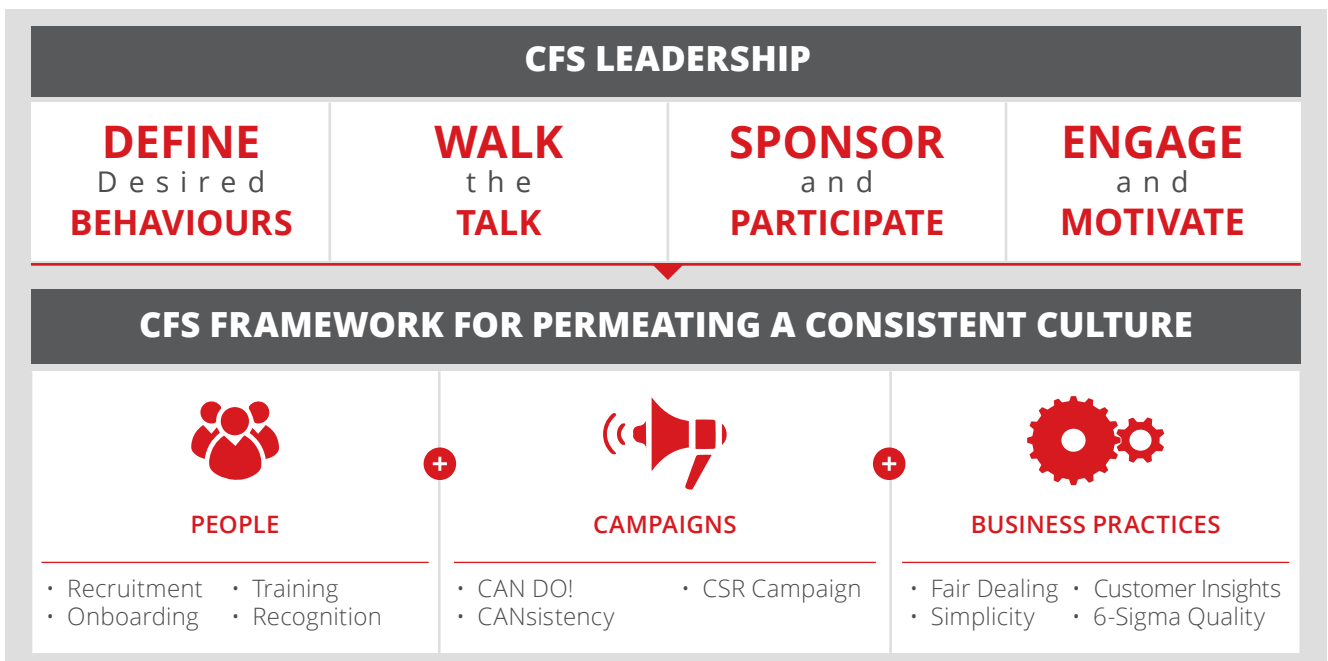
DRIVING ORGANISATIONAL CULTURE

“ Our **CULTURE** is the **HEART** of our **BUSINESS** ”

Organisational culture is vital in guiding and inspiring people to represent the Bank’s values and beliefs. We have implemented a set of desired behaviours for staff to put into practice.



We believe a company can be identified by its culture and in CFS, this unique identifier is carried through its people, campaign and business practices. The CFS leadership team has developed a framework that works hand-in-hand with our desired behaviours to deepen and foster the Bank’s culture consistently across the organisation.



Our Framework for Permeating a Consistent Culture



PEOPLE

"We instill the right values within our people."

The leadership team recognises that it takes time for culture to permeate an organisation and having this positive energy reverberate in our staff starts from our recruitment process. This is followed by onboarding programmes, day-to-day training and methods of recognition to further reinforce our organisational culture.

RECRUITMENT	The CFS leadership team gives priority to employing people with the right cultural fit for the Bank, looking out especially for people embodying CUFFS values.
ONBOARDING	<p>New staff are introduced to the Bank's core values and CUFFs from the start through structured onboarding programmes, such as:</p> <ul style="list-style-type: none"> • 1-day bank-wide New Employee Orientation (NEO) programme • <i>CFS Fast Forward</i> programme • <i>CFS Connect</i> programme
TRAINING	<p>The Bank's values are communicated regularly through:</p> <ul style="list-style-type: none"> • Daily Morning Huddles at every branch • CUFFS daily emails that showcase CUFFS in action
RECOGNITION	<p>Awards and recognitions are employed to encourage positive behaviour. Staff are empowered to show appreciation to their colleagues by nominating them for awards, including:</p> <ul style="list-style-type: none"> • SPOT Award • CEO Quality Award • Chairman's GEM Service Award

Steps to Permeate Culture within CFS



CAMPAIGNS

"We maintain a consistent culture through our campaigns."

Since the formation of a customer-centric foundation in 2011, we have employed campaigns revolving around the same theme to reinforce the organisation's principles.

2011	2012	2013	2014
 Customer-Centric <small>Useful. Fast. Friendly. Simple</small>			
<p>The CUFFS journey began with a foundation built upon customer-centricity</p>	<p>"CAN-DO!" mindset was adopted to encourage positivity towards challenges</p>	<p>CANSistency campaign was run to apply the "CAN-DO!" attitude consistently</p>	<p>CANSistency campaign was run to foster collaboration among staff</p>

Progression of CFS Campaigns from 2011 to 2014 to Embed CUFFS



BUSINESS PRACTICES

"Our business practices empower staff to be advocates of our organisational culture."

Our business practices are hard-coded with the principles of customer-centricity to ensure that our financial products and services meet the highest quality and customer suitability standards. Valued customer insights are taken into account throughout the development process of a new product, from its initial design stage to its display on a shelf and this includes rigorous vetting to ensure suitability for customers i.e. match their goals, risk/return preferences and affordability.

By promoting such business practices, staff are empowered to be advocates of the Bank's organisational culture such that CFS' values are experienced and embraced in a deeper and more meaningful way. Our senior leaders recognise their responsibility as role models to embody CFS values and engage the ground regularly through courtesy calls to customers, active participation in CANSistency events and recognising staff who embody CFS' desired behaviours.

To ensure that CFS' ongoing cultural journey is constantly growing and evolving with the organisation, the leadership team established some key indicators that are regularly tracked to analyse progress and identified steps to bridge gaps between the current and the desired culture.

CULTURAL ELEMENTS	MEASURES TO DETERMINE GAPS AND PLATFORMS FOR ANALYSIS	EXAMPLES OF ACTIONS TAKEN TO CLOSE GAP
CARE AND RESPECT FOR THE INDIVIDUAL	<ul style="list-style-type: none">Annual ESS scores	<ul style="list-style-type: none">360 feedback from exit interviews with managers
CUSTOMER-CENTRICITY (CUFFS)	<ul style="list-style-type: none">Monthly customer indices (e.g. E-B, NPS)	<ul style="list-style-type: none">Non-sales KPI for sales staffService recognition through SPOT award and GEMS awardProcess improvement projects
FAIR DEALING	<ul style="list-style-type: none">Customer complaints	<ul style="list-style-type: none">Mystery shoppingPlain English in communicationsProduct suitability assessment

CORPORATE SOCIAL RESPONSIBILITY



We uphold our
DUTY to give back to
the **COMMUNITY**

Our responsibility to serve the greater community is strongly supported by our senior leaders. A Corporate Social Responsibility (CSR) steering committee leads CFS' CSR activities and operates under a structured governance framework taking inspiration from the CSR Charter to drive an active calendar of activities, ensure accountability for use of resources and constantly communicate with all staff. The committee works towards fulfilling the following objectives:

- A. Encourage and support a desire to help the underprivileged individuals and support the community
- B. Develop leadership qualities of empathy and social responsibility in the organisation






The Bank reaches out to thousands of needy individuals and families through adopted charities such as the Singapore Children's Society (SCS), the School Pocket Money Fund and Willing Hearts Soup Kitchen. Supporting the pursuit of higher education, OCBC Bank awards book prizes and bond-free scholarships to outstanding young adults displaying academic excellence. On top of that, the Bank actively encourages staff volunteerism at supported charities to deepen staff involvement and social impact.



OCBC Bank also supports environmental sustainability, having embarked on the green journey since 2007. Paperless statements, paper recycling and energy-saving measures have been adopted by the organisation in all workplaces. CFS even opened its first paperless branch at Kallang Wave Mall in 2014.

Our CSR activities are strategically anchored around three pillars - **Impact, Business** and **Partnership**.

 <p>IMPACT</p>	<ul style="list-style-type: none"> • We conduct annual fund raising activities with music performances and food for Willing Hearts, a soup kitchen that serves and delivers more than 3000 meals to the less fortunate islandwide • e.g. Hearts on Fire, an open air concert for charity at OCBC Centre's foyer raised enough funds to sponsor food for one Saturday every month where our staff volunteer for food preparation and delivery
 <p>BUSINESS</p>	<ul style="list-style-type: none"> • We offer products and services such as the CDA Starter Scheme to encourage financial literacy and aid lower income groups • Under the scheme, families with household income of ≤S\$4,500 per month just need to save at least S\$50 within 6 months from successful application of the scheme in their qualified Child Development Account to receive a total co-savings[^] of S\$250 from OCBC Bank and the Government
 <p>PARTNERSHIP</p>	<ul style="list-style-type: none"> • We encourage business partners to jointly collaborate in CSR events • In January 2014, we tied up with John Little, a subsidiary of OCBC Bank's key partner, Robinsons Group, to take children from Singapore Children Society on a personal shopping trip sponsored by Robinsons Group

[^] Subject to the co-savings cap under the Baby Bonus Scheme.

02

PLANNING

Our effective **PLANNING** framework keeps us on track

CFS PLANNING FRAMEWORK



We plan our processes
METICULOUSLY and
STRATEGICALLY

Our well-established planning framework helps us to remain agile and focused on the future as well as responsive to current challenges while positioning ourselves to best address the strategic challenges posed by the ever-changing business landscape, customer needs and expectations. This strategic planning framework involves all key stakeholders in two planning cycles which comprise:

- **A 5-Year Plan**
- **An Annual Operating Plan (OP)**

The CFS 5-Year Plan is aligned with the overall direction and strategies of OCBC Bank. This provides a global perspective and long-term forward view to steer strategy development. Additionally, we review our 5-Year Plan regularly to ensure relevance and quick response to changes in market conditions.

OCBC Bank 5Y Plan / CFS 5Y Plan

Long-term goals



Bottom-up alignment

CFS ANNUAL PLANNING CYCLE

FORMULATE OPERATING PLAN FOR NEXT YEAR

- Scenario Planning
- Business Unit Plans
- Goals and Targets
- IT Plan and HR Plan
- Capacity Plan (with O&T)

SWOT/PEER REVIEWS/BENCHMARKING

ANNUAL PLANNING/BUDGETING

CASCADE GOALS AND SET INDIVIDUAL KPIs



ON-GOING ACTIVITIES

- Rolling FY Forecasts
- Assess Risk and Opportunities
- Implement Action Plans
- Ongoing Monitoring (Monthly BPR)
- Peer Reviews
- Environment Scan
- Refine Plans

CFS Strategic Planning Framework

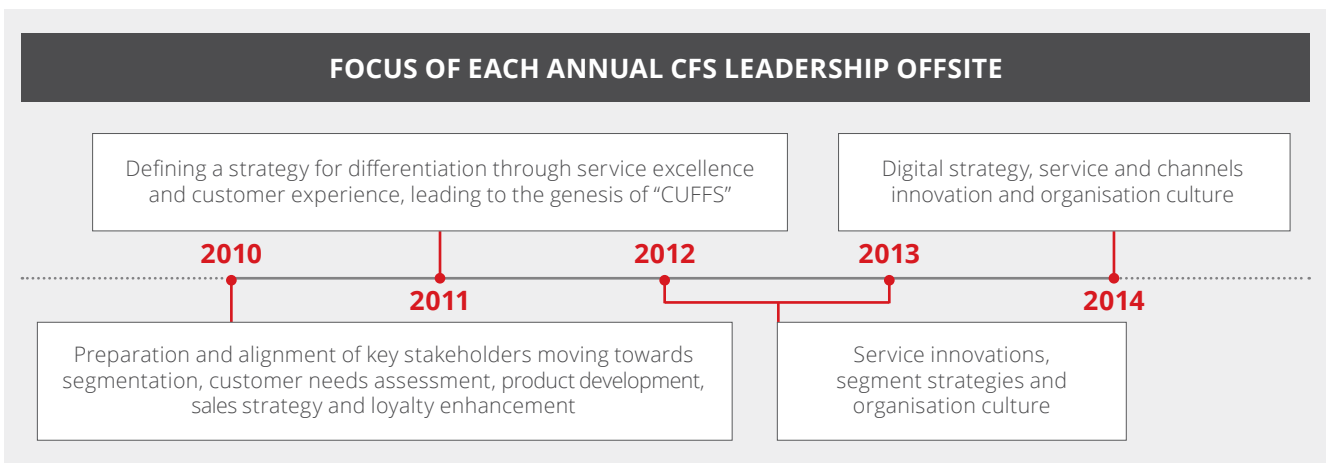
We adopt a top-down, bottom-up approach to ensure that our vision and strategies are communicated and reinforced consistently to all levels of staff through various forums thus ensuring alignment and a common purpose. This approach involves all stakeholders as well so that there is collective ownership and commitment to the goals and targets set. It drives the business units to strive for greater efficiency and productivity and ensures that individual targets set are achievable and challenging, while action plans are specific.

Every manager and staff has a scorecard of key performance indicators (KPIs) covering financial and business goals or targets, customer, productivity or process improvement, risk management as well as people goals. Performance against KPIs are monitored regularly.





Top-Down and Bottom-Up Approach of OP Planning Process

Our vision to be a leading Wealth Management bank in core regional markets is anchored by the “Wealth Halo”. Customer-centricity, including developing a deep understanding of customer segments, needs and expectations complemented by Big Data insights, are key enablers for sustainable differentiation. Over time, we have evolved and refined our initiatives for strategic differentiation.



Evolution of Strategic Initiatives

We invest heavily in key capabilities to facilitate the achievement of our vision. The two areas that demonstrate this forward thinking are **Technological Investments** and **Start-up Initiatives**.

TECHNOLOGICAL INVESTMENTS	START-UP INITIATIVES
 <p>OCBC WowDeals App Fantastic card deals for Cardmembers</p> <p>Developed a 3 to 5-year technology roadmap with Group IT, our technology strategic partner</p> <p>Long-term planning for IT systems investment ensures that we can meet our goals to:</p> <ul style="list-style-type: none"> • Transform all digital touchpoints to deliver superior customer experience • Manage obsolescence and technology risks • Respond to customer and technology changes nimbly 	 <p>Allocated substantial budgets to nurture start-up initiatives which are aligned to our Vision and Strategic Thrusts</p> <p>Long-term planning of strategic investments allow us to nurture novel propositions and allow new businesses to take root and bloom</p> <p>E.g. FRANK by OCBC, which has won accolades for its differentiated approach and development</p>

CFS' Investments Key Capabilities

ENHANCING OUR PLANNING PROCESSES

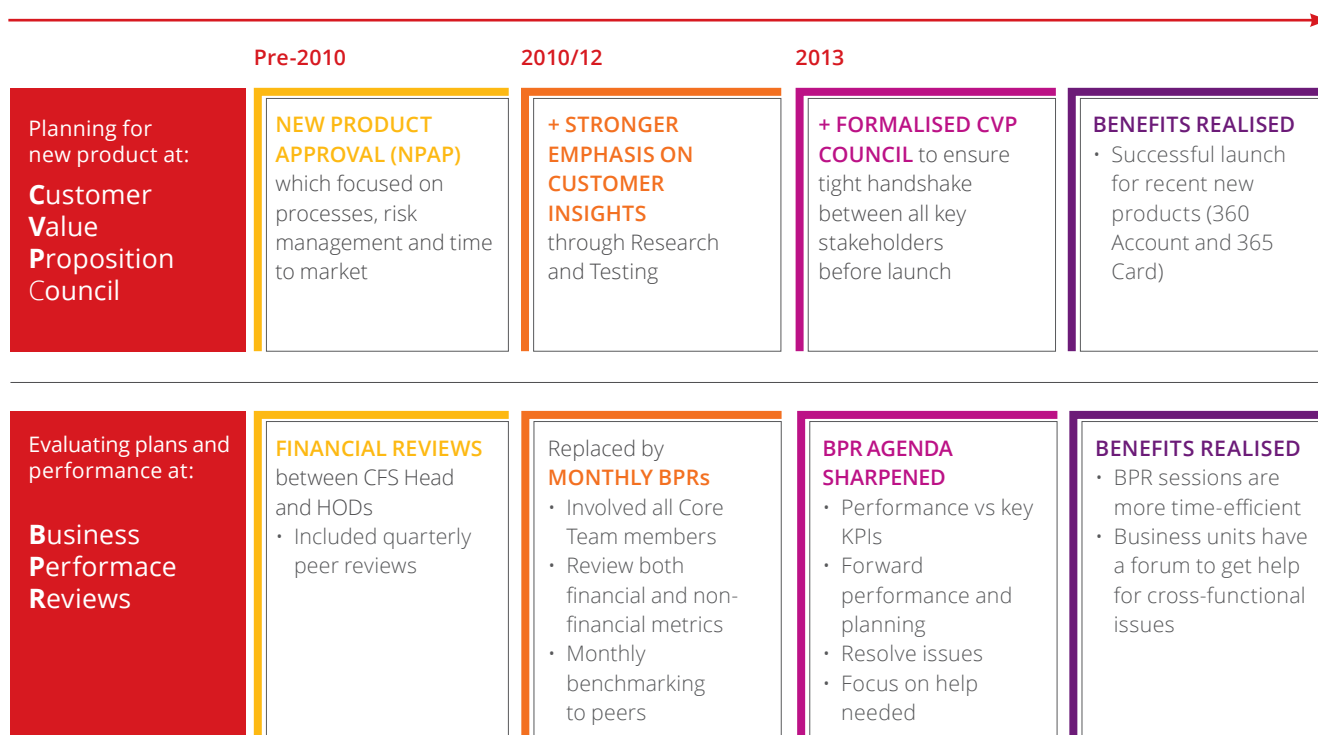
“ We continuously **ENHANCE** our planning processes to adapt to new **CHALLENGES** ”

We employ several platforms to review our business performance, which focus on past performance and external benchmarks such as competitors as well as a forward view of future plans, potential performance gaps and pre-emptive measures.

PLATFORM/FORUM	PURPOSE	REVIEW BY
SALES TRACKING [DAILY]	Sales performance	HODs, Cluster Managers, Branch Managers, Product Heads, Sales Heads
BUSINESS PERFORMANCE REVIEWS [MONTHLY]	BUs performance	Core Team and relevant BU HODs
CFS LEADERSHIP MEETING [MONTHLY]	Financials and project status	HODs
CORE TEAM MEETING [MONTHLY]	Strategy roadmap	Core Team
MONTHLY REPORTS	Financials and market conditions	HODs, Senior Management including CEO and CFO
CFS LEADERSHIP OFFSITE [ANNUALLY]	Strategy review and planning	HODs

Platforms for Reviewing Performance

Rigorous reviews and monitoring allow the strategic and Operating Plans to be flexible, dynamic and responsive to market risks, challenges and opportunities on a timely basis. We also review and enhance our planning process and cycle, taking on lessons learnt from prior implementations.



Improvements in CFS Planning Process

03

INFORMATION

We manage INFORMATION
efficiently and progressively

MANAGEMENT OF INFORMATION AND KNOWLEDGE

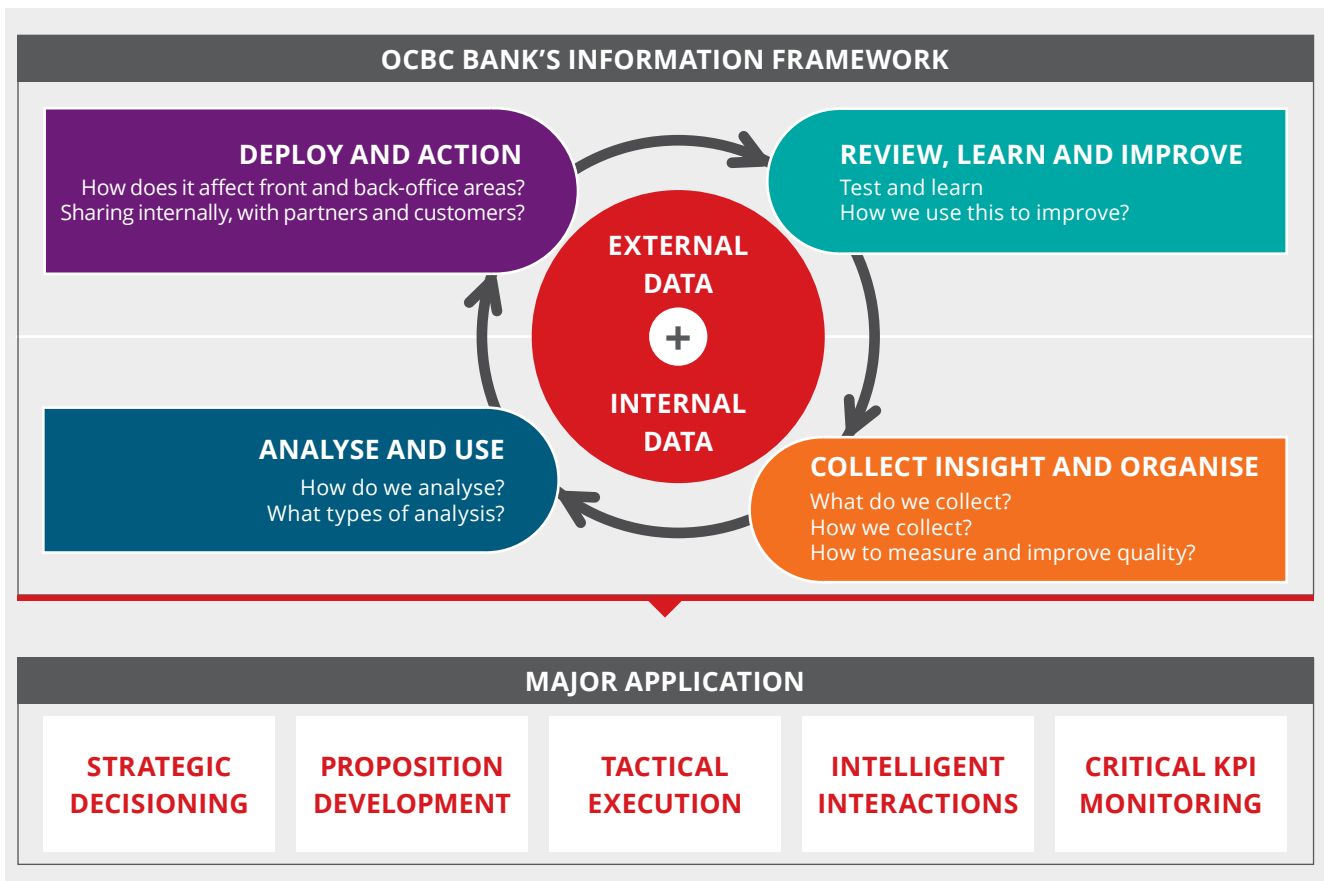


WE ARE **DATA-DRIVEN** AND
GUIDED BY **FACTS**

In the past 8 years, OCBC Bank has invested over S\$100M in its analytical capability and has been recognised as an innovator in this space with awards from the likes of IBM (Marketing Success Awards), Peppers and Rogers and Asian Banker (Excellence in CRM). The use of information to drive strategic decision-making and intelligent interactions at the frontline is a key differentiator for the Bank and an area where OCBC Bank aspires to be the market leader.

OCBC Bank's information framework integrates both internal and external data ranging from valuable internal information such as customer demographics, transactional behaviour and risk profiles to external information such as customer research and satisfaction surveys. The Bank collects, categorises and transforms this large body of data into important insights to be used to lead the Bank's key decisions. To ensure information is organised and consistent across the Bank's divisions, information is shared on a centralised analytics platform, where relevant data is extracted and delivered to respective staff for tracking purposes or to refine their strategy.

CFS is the biggest user and contributor to the Bank's information database, being the largest division in the Bank by customer base. All facets of our business rely on information to strategically carry out business plans, with main uses of this information as shown below.



To ensure that the Bank captures complete, accurate and timely data, significant effort has been invested into the Enterprise Data Warehouse (EDW), the Bank’s “big data” infrastructure. This world-class data store collects and stores large amounts of information governing all aspects of the customer’s interactions with the Bank. To date, the Bank has already captured over 5 billion transactions within the analytics platform.

With the EDW, critical information used across businesses is brought into a single place to create a “single source of truth” whereby all business units have a common platform and corresponding information. The EDW is then used to provide information that supports Marketing, Risk and Finance teams.



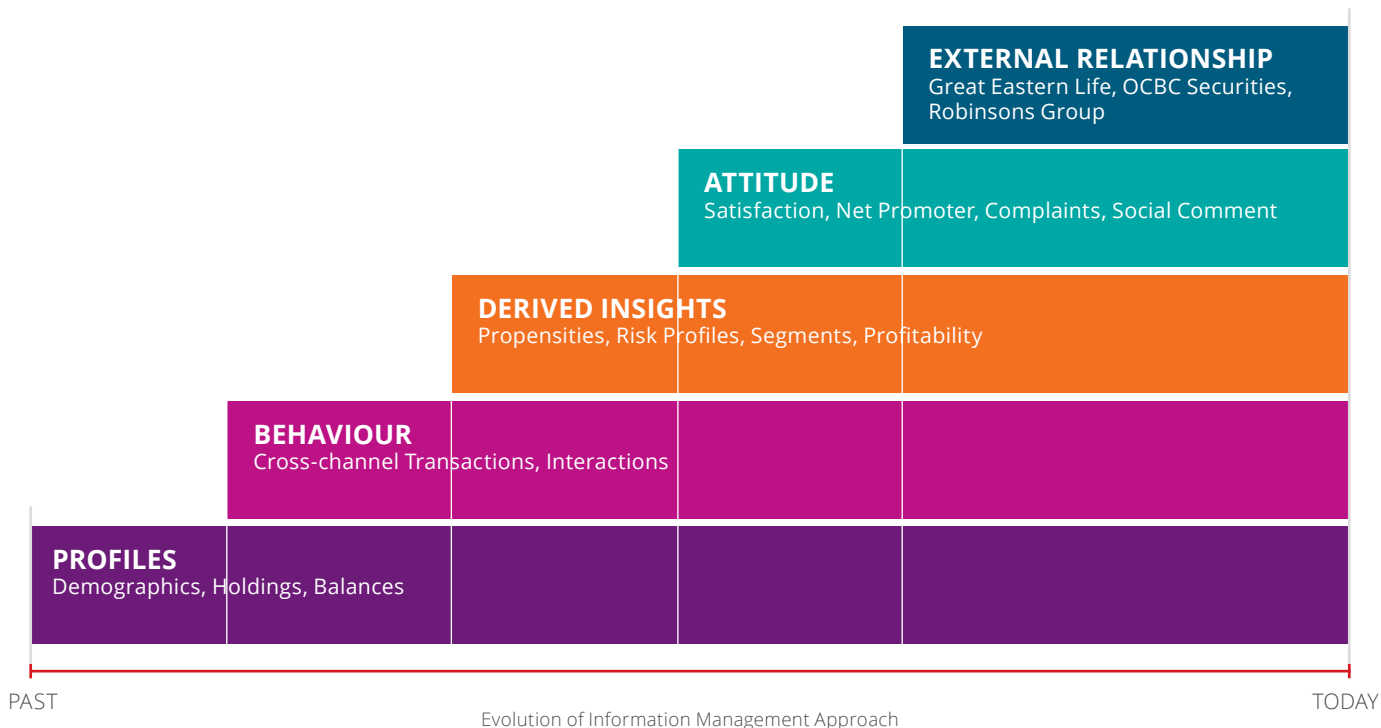
Information Flow

Banks have very complex business models that typically involve many disparate product systems. Centralising the data simplifies the organisation of data structure for better monitoring of data quality, implementation of data cleansing and enrichment efforts that would have been more challenging to perform on individual systems.

We continuously seek further opportunities to improve data quality through proactive capture mechanisms that are constantly being built into the data collection process. These mechanisms minimise potential data capture errors right from the beginning, an example being the ROME account opening system. ROME automatically reads and extracts information from a customer’s IC card without any need for data entry.

This information management approach structurally evolved over time along with the growing demands of data optimisation. It was developed to leverage on the data collected to further analyse and derive customer insights for the Bank and had also been extended to integrate the external voice of the customer with surveys and social network.

Working with the Bank’s key partners created a unified understanding of the customer and enriched the information infrastructure by including valuable data such as insurance (Great Eastern Life), equity trading (OCBC Securities) and shopping behaviours (Robinsons) with appropriate customer consents on collection and use of customer data.

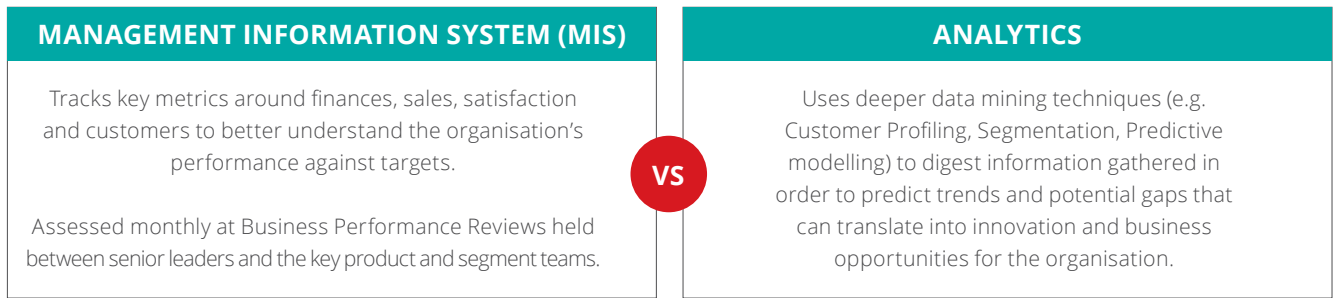


As information is a critical part of the business, these insights are extended across the value chain to share with key stakeholders of the Bank to forge stronger partnerships and build upon the depth of information.

OCBC BANK	Banking, Credit Card, Home Loan, eBusiness
SUBSIDIARIES	<p>Great Eastern Life, OCBC Securities</p> <ul style="list-style-type: none"> • Key subsidiaries are integrated into OCBC Bank's central analytics capability and hence gained access to advanced analytics • This increases OCBC Bank's analytical capabilities without investing heavily in another data environment
STRATEGIC PARTNERS	<p>Robinsons Group, Fairprice</p> <ul style="list-style-type: none"> • OCBC Bank shares its analytical capabilities with partners so they can understand their customers better • This deepens relationships with partners by extending resources that support their information and analytical needs
OUR CUSTOMERS	<p>You</p> <ul style="list-style-type: none"> • The sharing of insights allows us to give back to customers in beneficial ways, e.g. <i>Money Insights</i>, a free financial management platform • This gives us opportunities to introduce product offerings to customers

Insight Sharing across the Value Chain

To realise the full potential of information, it needs to be analysed for actionable insights. We evaluate information from distinct views, namely the **Management Information System (MIS)** that takes a backward-looking view, and **Analytics** that takes a forward-looking view.

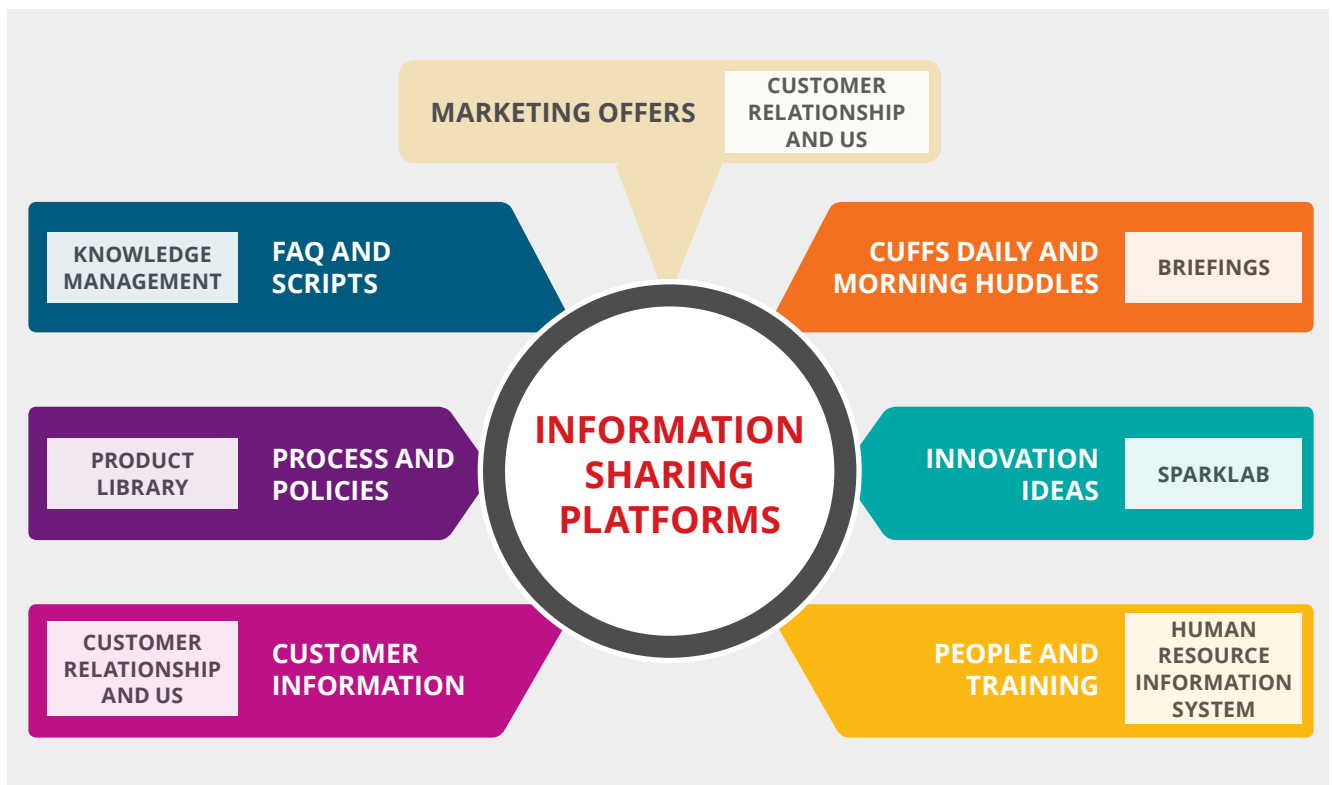


VS

Distinct Views for Information Analysis

To promote learning and innovation, current and relevant information are disseminated and made available to staff at all levels of the bank via major platforms and team-based mechanisms with a strong concurrent emphasis on data protection, security and customer privacy. All business units, product and segment teams have access to the centralised analytics and regular reports on the performance of their business.

For common business enquiries, a dashboarding solution (in Qlikview) was implemented to empower staff with access to simplified data sets. This enables the power of insight to be distributed and leveraged by a much wider audience and customised to the business units' needs.



Information Sharing Platforms

As data analytics matures, more emphasis is placed on moving towards real-time decisions that allow immediate capturing of information during customer interactions. The ROME system is an example of instant intelligent cross-sell recommendations that staff may use based on customer information captured during the account opening process. The system determines the most appropriate offer in milliseconds and then learns from the customer response about which offers to make next time round to similar customers.

The evolution of data analytics has the potential to change and shape the future of our business' operations and we have structured a roadmap to evolve and grow this information capability. Some of the major phases of growth in our analytical platform include moving from a CFS Singapore-centric marketing database to an OCBC Group-wide asset incorporating multi-country marketing, risk and finance information, all of which have resulted in an increase in returns by 500% from data-driven marketing.

2001	2004	2006-2008	2008	2012
WE HAD A STRONG TEAM, BUT LIMITED INSIGHTS	WE BUILT OUR CORE INFRASTRUCTURE	WE WORKED ON MAXIMISING OUR TEAM'S VALUE	CAPABILITY WAS REGIONALISED	WE IMPROVED ON OUR GROUP CAPABILITY
<ul style="list-style-type: none"> • CRM System • Strong sales force • Weak leads • Limited insights 	<ul style="list-style-type: none"> • EDW • Daily transactions • Campaign management • Event detection • Optimisation 	<ul style="list-style-type: none"> • Strengthening the team • Value chain alignment • RM model of engagement 	<ul style="list-style-type: none"> • Integrating other countries • Offshore team 	<ul style="list-style-type: none"> • Integrating other member companies • Outsourced support for key partners • Real-time cross-sell

Evolution of our Information Platform

COMPARISON AND BENCHMARKING

“ We facilitate improvements through **TARGETED** and **CONTEXTUAL BENCHMARKING** ”

OCBC Bank’s commitment to benchmarking was recognised with the receipt of the **Global Benchmarking Award 2013 – Runner-up** from the Global Benchmarking Network. At CFS, we adopt targeted and contextual benchmarking across all major aspects of our business to enable a 360-degree view of our performance against the market and to identify areas for further improvement.



CFS Benchmarking Approach

We leverage comparative and benchmarking information for business improvements in six major categories and these findings are put into practice to enhance internal processes and enhance customer experience.

TYPE	WHY	HOW
FINANCIAL Benchmarking	Compare our results and balance sheet vs competition to assess overall competitiveness	<ul style="list-style-type: none"> Market share Competitor balance sheet breakdown
PROCESS Benchmarking	Activity benchmarking to compare cost, approach and timeliness to increase productivity	<ul style="list-style-type: none"> Branch time and motion study Contact centre cost analysis Mystery shopping Walk in customer shoes
PRODUCT Benchmarking	Maintain constant awareness of key features of competitor products and respective market shares	<ul style="list-style-type: none"> Competitor product feature database Market share tracking
PEOPLE Benchmarking	Assess the satisfaction and incentives for our staff vs competition to improve hiring rates, retention and morale	<ul style="list-style-type: none"> Employee Engagement Survey Hewitt comparisons against industry best practices
MARKETING Benchmarking	Centralise knowledge on competitor marketing activity and benchmark their performance vs OCBC Bank’s activities	<ul style="list-style-type: none"> Database of competitor marketing activity CX brand tracks and ad tracks, measuring OCBC Bank vs competition
EXPERIENCE Benchmarking	Understand the experience and satisfaction drivers of our customers with OCBC Bank and our competitors	<ul style="list-style-type: none"> Competitive NPS CSISG Walk in customer shoes

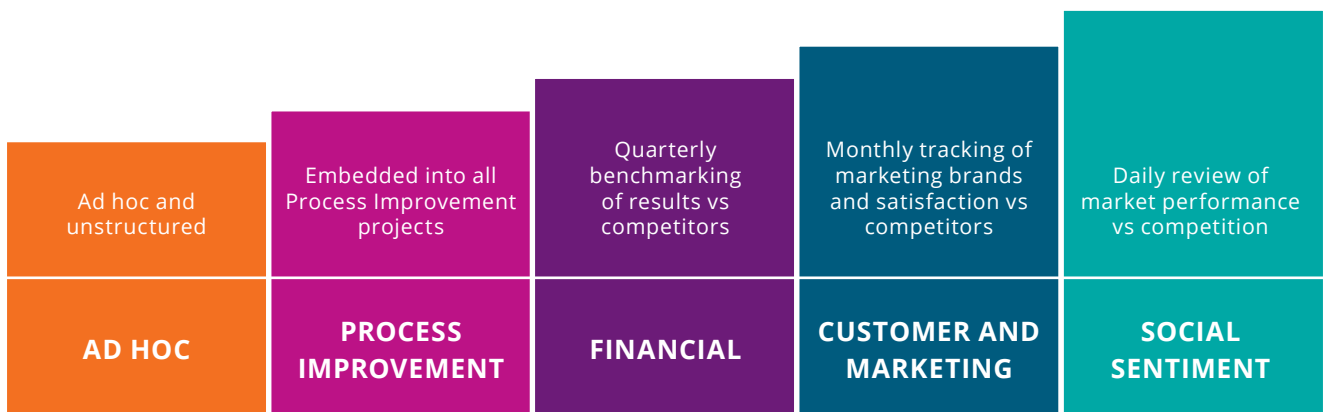
Categories of Benchmarking

As part of our drive towards customer-centricity, the Bank regularly tracks satisfaction levels from various aspects against our competition. Satisfaction benchmarking is performed on two levels - **Touchpoint Experience** and **Competitive Net Promoter**.

TOUCHPOINT EXPERIENCE	COMPETITIVE NET PROMOTER
<p>This is conducted across 30 different touchpoints (such as contact centre, branches) each month. It measures the experience a customer had following a recent interaction with the Bank.</p>	<p>This is a wider industry standard in measuring customer's satisfaction and engagement with the Bank. It is conducted monthly to understand how the market perceives the products and services of OCBC Bank compared to local competitors.</p>

Satisfaction Benchmarking

We have progressively evolved our benchmarking to grow capability beyond process improvement to cover multiple forms of benchmarking, including a move towards more immediate feedback.



Benchmarking Evolution



04

PEOPLE

We empower our PEOPLE
to deliver excellence

HUMAN RESOURCE PLANNING

“ Human resource management is **INTEGRAL** to our business **PLANNING** process

Human Resource (HR) planning is essential in aligning HR's needs to our overall business objectives, organisation's goals and internal growth. As such, the HR Relationship Manager (RM) team develops and implements appropriate HR strategies following the process below.



HR Strategy Development Approach

While we adopt HR policies and practices set by the Bank's Group HR, we are also empowered with the flexibility to adjust the Bank's HR practices to suit our business requirements. In addition, to ensure alignment of plans between our HR and the Group HR's, certain KPIs from the latter are incorporated into our divisional KPIs, such as the average training man-days per annum and staff engagement scores.

Critical business objectives are translated into HR requirements and plans. For example, a taskforce to review the hiring process for frontline staff was formed to include members from HR, Branch Banking and Customer Experience in order to support the critical business objective "Drive Service Excellence".

To improve the overall management of HR, the HR team uses the following platforms to review its HR plans and provide two-way feedback between HR and its key stakeholders.

FREQUENCY	PLATFORM
ON-GOING	<ul style="list-style-type: none"> • HR RM embedded into business
MONTHLY	<ul style="list-style-type: none"> • Core Team meeting • CFS Leadership Team meeting • Business Performance Review • HR direct report meeting
QUARTERLY	<ul style="list-style-type: none"> • Divisional Talent Review Committee
HALF-YEARLY	<ul style="list-style-type: none"> • HR Talent Review Committee
ANNUALLY	<ul style="list-style-type: none"> • Exceptional Talent Committee • CFS Leadership Offsite • HR Service Index survey • ESS survey

Two-Way Feedback on HR

STAFF ENGAGEMENT

“ We employ **INNOVATIVE** strategies to deepen **STAFF ENGAGEMENT** ”

To support staff engagement in line with the organisation’s objectives, four broad strategies are executed by employing a range of mechanisms to encourage wider and deeper involvement of staff individually and/or in a team.

ENGAGEMENT STRATEGY	DESCRIPTION	MECHANISM	APPROACH	PERFORMANCE INDICATORS
SENIOR MANAGEMENT COMMUNICATION	Management acts as role models when they communicate to staff about current performance and future challenges	<ul style="list-style-type: none"> • CFS Kick-off Meeting • Townhall meeting • CFS Leadership offsite • Emails by Group CFS Head and CFS Singapore Head 	Top-down	ESS Communication Driver Score
INNOVATION PROJECT INITIATIVES	Initiatives that engage staff knowledge, expertise and creativity for designing and implementing innovations	<ul style="list-style-type: none"> • Hoshin planning • Cross-functional teams and cross-functional project committees • Green-belt projects 	Top-down and bottom-up	Project improvement goals Number of participants on 6-sigma green-belt projects Number of projects
FINANCIAL PARTICIPATION	Linking individual staff’s and departments’ monetary rewards to the performance of the division as a whole	<ul style="list-style-type: none"> • Sales Incentive Scheme • ESPP • Variable Bonus • Deferred Shares • Long-term Incentive Plan 	Top-down	Variable Bonus/ Deferred Shares participation rate Staff Share Purchase Plan participation rate Long-term Incentive Plan (Deferred Shares + Options)
REPRESENTATIVE PARTICIPATION	Staff participation in organising division-wide events	<ul style="list-style-type: none"> • Committees for the respective CFS events 	Top-down and bottom-up	Number of participants in each event

Assessing Engagement Strategy Effectiveness

STAFF LEARNING AND DEVELOPMENT







We strive to **BUILD** a culture of continuous **LEARNING** and **IMPROVEMENT**

A strong emphasis is placed on growing and developing staff to meet CFS' critical business objectives. Our Learning and Development (L&D) process operates under the following four-step framework.



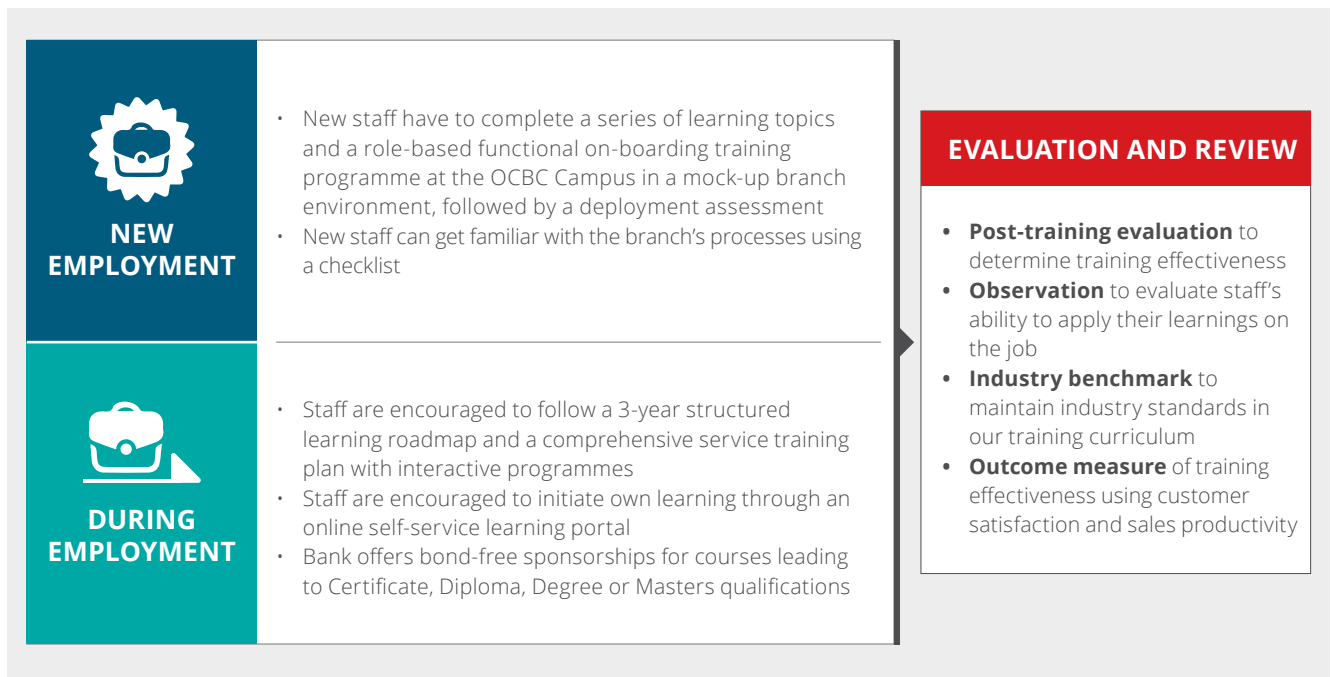
Learning and Development (L&D) Framework

After identifying learning needs, learning solutions are delivered to both new and existing staff to practically apply in their respective roles. These practices include:

					
Discussion between CFS HODs and L&D department	Feedback from staff and managers	Post-training evaluation by staff	Written tests and simulations	Mystery shopping and industry benchmarks	Customer satisfaction survey

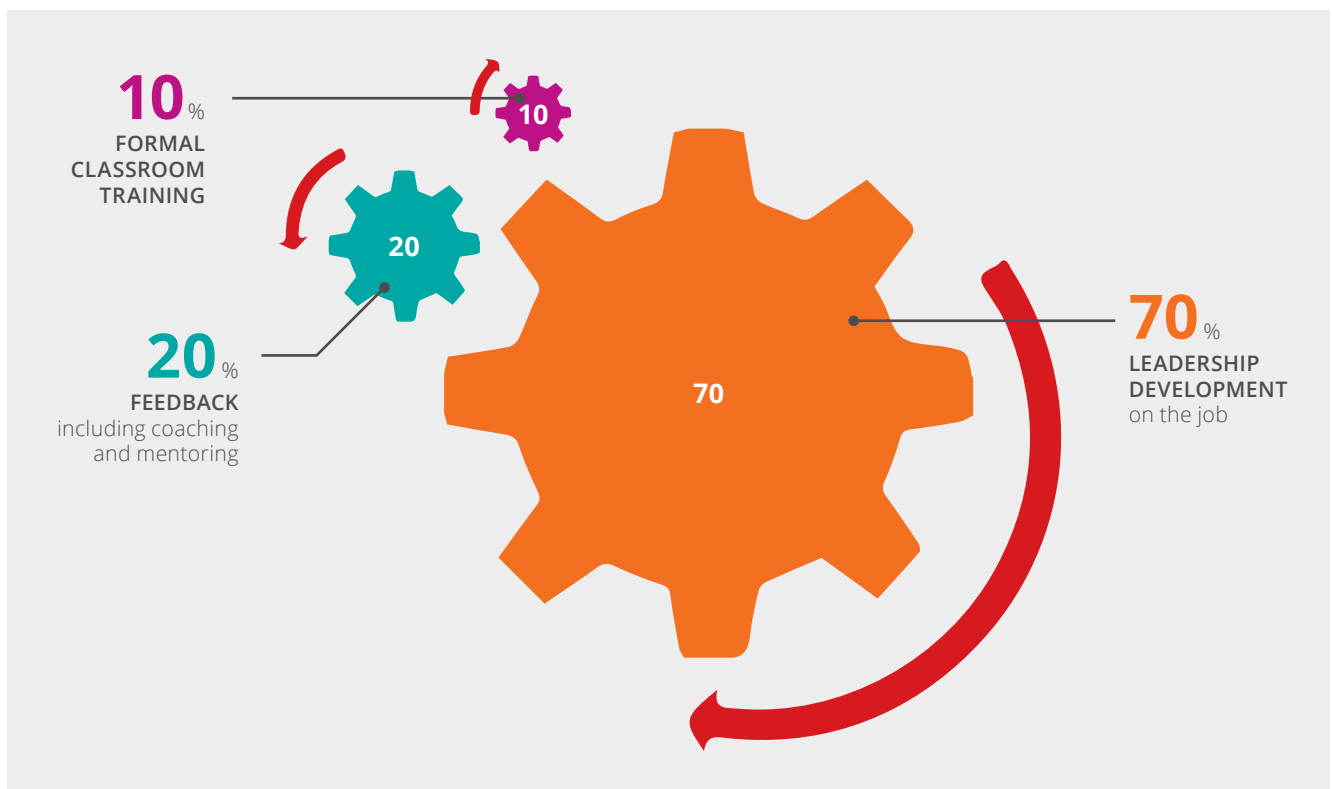


New staff are put through a series of compulsory learning and training programmes to develop the right skills and enrich their journey with OCBC Bank.



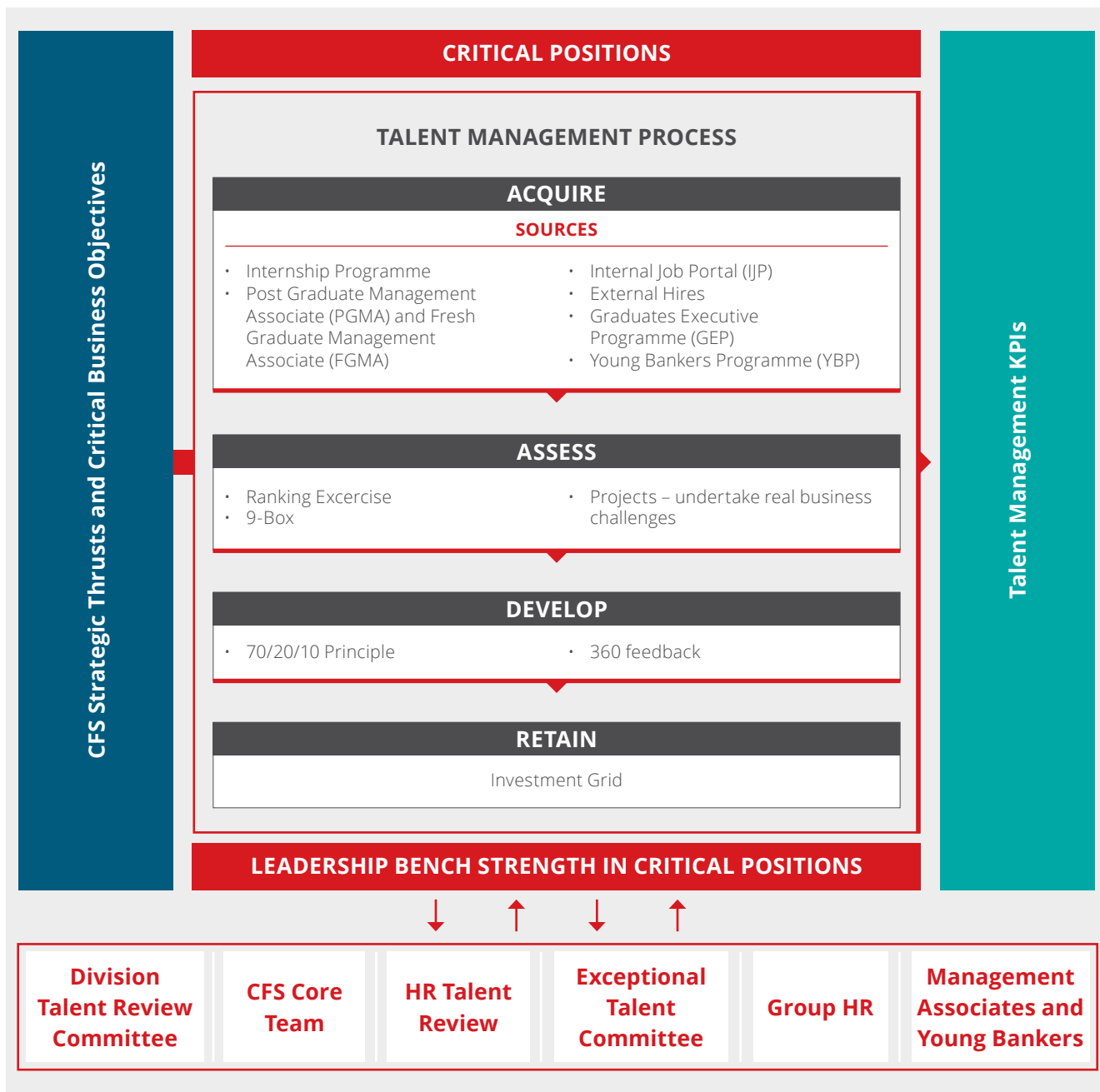
Learning Interventions

Through our training programmes and learning roadmap, we strive to build a culture of continuous learning and improvement. Some recent improvements include the launch of an online self-service learning portal, a mobile evaluation app, and the OCBC Campus, a S\$60M dedicated training facility for our staff in the Central Business District. We believe in developing and retaining the diverse talents that we have through a structured Talent Management framework. The Bank uses the 70/20/10 principle to develop its talent.



70/20/10 Principle

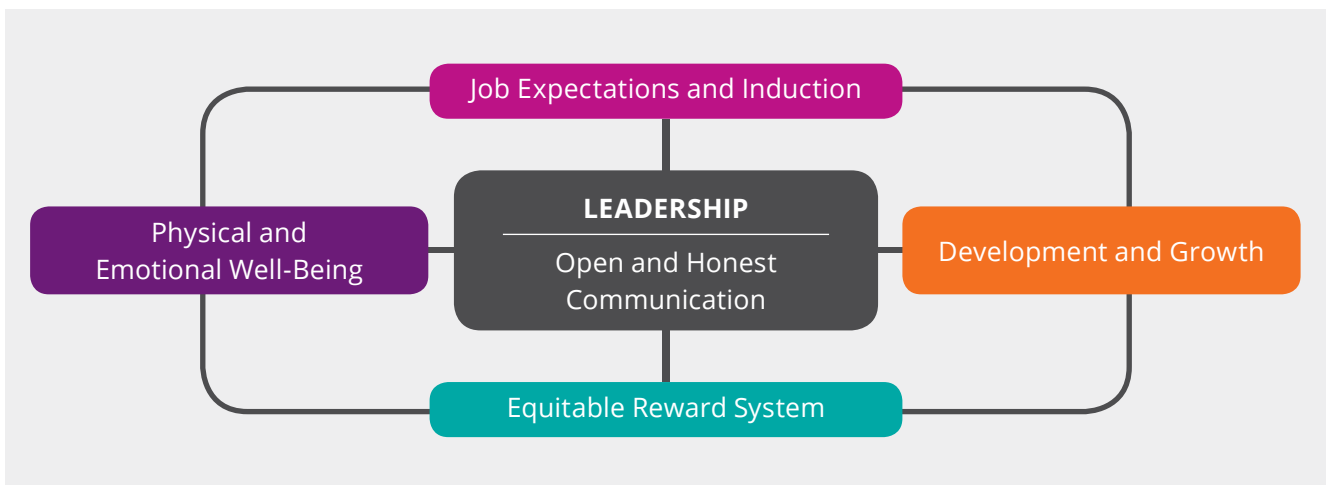
Our Talent Management Framework consists of a process with four stages - **Acquiring, Assessing, Developing** and **Retaining** our talents. Performance for each stage is measured through Talent Management KPIs.



STAFF WELL-BEING AND SATISFACTION

“ A **HEALTHY** and **ENGAGED** workforce is a cornerstone to our **SUCCESS** ”

At CFS, we firmly believe that having a healthy and engaged workforce with a harmonious working relationship with our staff and unions is a cornerstone to our organisation's success. While many factors affect staff well-being and satisfaction, special attention is given to six key drivers that are identified to have a direct impact on staff well-being and satisfaction.



6 Key Drivers for Staff Well-Being and Satisfaction

Practices to foster a great working relationship between staff begin at the hiring stage where a candidate's job expectations are managed. During interviews, transparency is established to present both favourable and unfavourable aspects of the job to potential candidates. Upon joining the Bank, new staff are required to complete a series of compulsory learning and throughout their employment at the Bank, they are provided a range of learning opportunities for their growth and development.

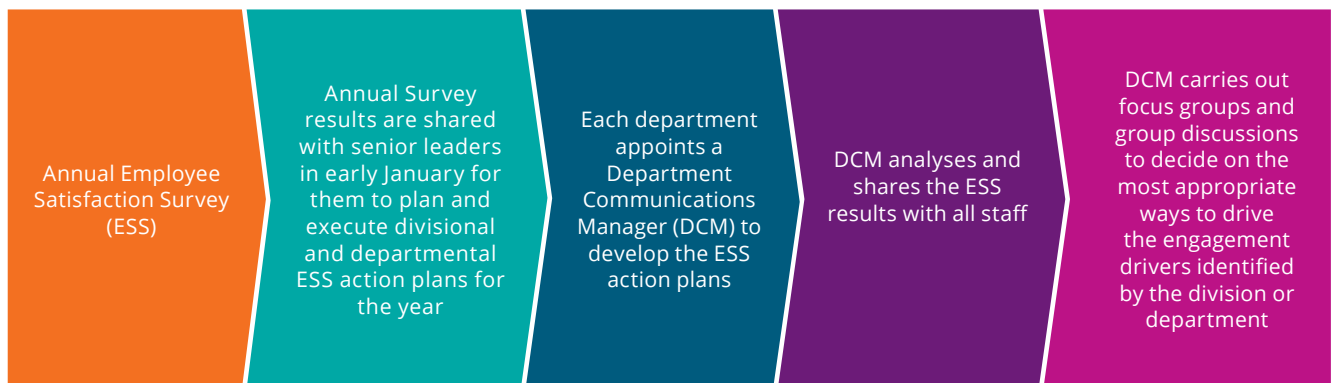
To motivate our staff, a pay-for-performance rewards system is adopted to offer both financial and non-financial rewards for both bargainable and executive staff. Given the multi-generational workforce in CFS, a holistic approach is taken to meet staff's physical and emotional needs. Over the years, the Bank has invested heavily in the following facilities and events:

- OCBC Recreation Clubhouse with its own lactation rooms
- Holiday bungalows in Singapore and Malaysia
- Workplace childcare facilities - the only bank in Singapore that offers onsite childcare facilities
- OCBC Cycle

Apart from engaging staff at these levels, two in-house unions are in place to help meet the needs of staff. The Bank maintains an open and honest dialogue with them to ensure that they are kept abreast of events that may impact their members e.g. changes in working patterns and allowances.

STAFF SATISFACTION

In order to assess staff engagement and satisfaction, a range of methods and measurement indicators are employed to determine the success of the initiatives that have been implemented. One such way of measuring staff engagement is via the Employee Satisfaction Survey (ESS) which is carried out every year.



ESS Action Planning Approach



The overall approach to enhance staff well-being and satisfaction is reviewed annually at different levels and platforms.

STAFF WELL-BEING AND SATISFACTION INDICATORS	ASSESSMENT MECHANISM
STAFF ENGAGEMENT SCORES (OVERALL AND KEY DRIVERS)	<ul style="list-style-type: none"> • Staff Satisfaction Survey [Annual]
STAFF TURNOVER RATE	<ul style="list-style-type: none"> • Industry comparison [Annual] • Performance rating/ranking exercise [Half-yearly] • Exit Interview [Monthly]
FAMILY-ORIENTED HR PRACTICES PARTICIPATION RATE	<ul style="list-style-type: none"> • Leave management system [Annual]
NUMBER OF STAFF GRIEVANCES	<ul style="list-style-type: none"> • Formal meeting between management and unions
CSR ACTIVITIES/OCBC BANK'S SPORTS EVENT PARTICIPATION RATE	<ul style="list-style-type: none"> • Division CSR Committee participation Template [Monthly]

Assessing Staff Well-Being and Satisfaction



At the policy level, Group HR will decide on the new initiatives based on staff feedback. These initiatives are then presented to the Bank's Management Committee for approval before they are implemented bank-wide.

PSLE LEAVE ACCOMMODATION SCHEME	<ul style="list-style-type: none"> • Launched in 2012 • For staff to provide tutorial or moral support to their children taking the PSLE examinations
CAREER BREAK LEAVE POLICY	<ul style="list-style-type: none"> • Launched in 2012 • For staff who wish to take a short-term break from work to recharge and re-energise themselves with the assurance that they can return to their current job
MY FLEXI-HOUR POLICY	<ul style="list-style-type: none"> • Launched in 2013 • Promotes better work-life integration
REDUCTION OF MINIMUM SERVICE TENURE	<ul style="list-style-type: none"> • The minimum service tenure for an Internal Job Posting was reduced from 24 months to 18 months for the ranks of Manager and below to enable greater flexibility for staff to gain exposure in different roles within the bank

Initiatives by Group HR

STAFF PERFORMANCE AND RECOGNITION

“ Our **REWARD** and **RECOGNITION** mechanisms drive the right **BEHAVIOURS** ”

The performance management philosophy of OCBC Bank is designed to promote individual accountability, drive the right behaviours in a high-performance organisation by attributing performance to direct, meaningful outcomes. This is known as the Employee Performance Management Process (ePMP). Our organisation also adopts a broad range of reward and recognition mechanisms to drive appropriate staff behaviours.



ePMP

REWARDS AND RECOGNITION CATEGORY	MECHANISM
FINANCIAL (PERFORMANCE RELATED)	<ul style="list-style-type: none"> Individual merit increment [Annual] Variable Bonus (Deferred Shares) [Annual] Long-term Incentive (Deferred Shares + Share Options) [Annual] Sales Incentive Scheme [Monthly/Quarterly] Retention Bonus [Annual]
RECOGNITION	<ul style="list-style-type: none"> SPOT Award [As and When] Pinnacle-Sales and Service Award [Annual] Excellent Service Award (EXSA) [Annual] Chairman's GEM Service Award [Annual] CEO Quality Award [Annual] Long Service Award [Annual]
NON-FINANCIAL	<ul style="list-style-type: none"> Division-wide Celebration [Event-driven] Department celebration [Event-driven] Psychic recognition (e.g. praise by immediate supervisor) [Daily]

Rewards and Recognition System

05

PROCESSES

Our robust PROCESSES
lead to revolutionary innovations

INNOVATION PROCESSES



We create
**BUSINESS
VALUE** through
INNOVATION

We believe that innovation is not a stand-alone management process but a way of working which hinges on new and superior customer insights. This approach has helped us to create business value and a strong track record of innovations to deliver on our business strategies.

2007 - 2010		2011	2012	2013
		OCBC.com	Pay any card ^{1st}	
		Scan and Pay ^{1st}		Money In\$ights ^{1st}
Sunday Banking and Mighty Saver Account ^{1st}	Baby Bonus CDA Account	FRANK by OCBC ^{1st}	Sunday @ OCBC (relaunch)	
Supermarket Banking: ATMs in supermarket ^{1st}	Lite branches @ NTUC FairPrice			Lite branches @ Robinsons
30-min home loan approval ^{1st}	Crystal Mark: Plain English ^{1st}	Mortgage Protector Advantage ^{1st}		Blue Chip Investment Plan ^{1st}
"Relationship Opening Made Easy" (ROME)	Paperless Account Opening on ROME system ^{1st}	FNA-on-ROME system ^{1st}		360 Account ^{1st}
		Cashflo Credit Card ^{1st}		Plus! Visa PayWave Card
		60-sec online approval for credit cards		
1-hour credit line approval		Cash in 3 minutes		

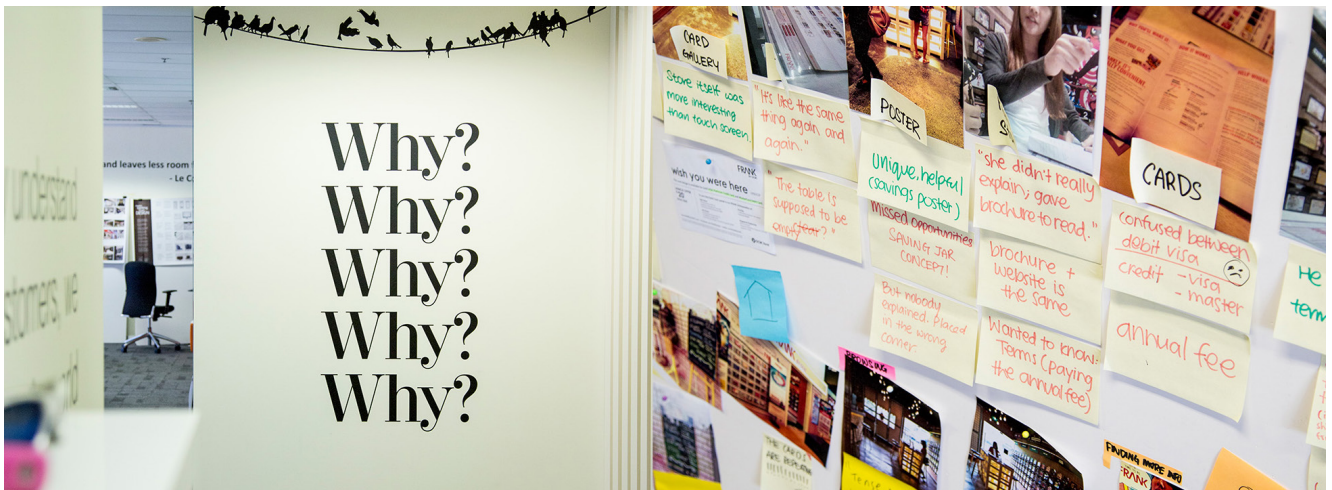
Evolution of CFS Innovation up to 2013

Three Systematic Innovation Processes

Innovation is embedded into our core development of products and services by leveraging on three systematic innovation processes – **CFS Design Thinking**, **Six Sigma DMAIC** and **Visual Prototyping Co-development**.

1. CFS Design Thinking for Product and Service Innovation

This approach was developed in 2010 to revolutionise the way products and services are developed in order to consistently deliver exceptional customer experience. It relies on creating superior customer insights across the product value chain, leveraging ideas from other industries and subsequent testing, prototyping and refinement. This approach also gives prominence to the customer at the innovation stage and enables a co-creation of products and services with customers that breaks away from the “banker designs product for customer” model.



Applying the CFS Design Approach in the Workspace

	STAKEHOLDERS	RESEARCH	PROTOTYPING AND VALIDATING	LAUNCH	TRACK	IMPROVE
STAFF		Multi-disciplinary and multi-industry research	Formulate concepts and make prototypes, refine concepts	Prepare and communicate the launch to stakeholders	Track and review business and customer value generated	Improve the product and service
CUSTOMERS		Voice of customers	Customers feedback via Experience lab	Customer endorsement	Customer feedback	
PARTNERS			Voice of partners	Assist the launch	Assist tracking customer response	
SUPPLIERS			Voice of suppliers	Deliver the contract		Voice of suppliers

CFS Design Thinking Approach

FRANK by OCBC adopted the CFS Design Thinking approach by deeply involving the target customer, youth, in the design process and continuing to track and improve on the brand's offerings after its implementation. This unique experience earned us several international awards, including:

- **Most Innovative in Customer Experience Award 2012** (by Financial Insights),
- **Channel Excellence in Branch Banking Award 2012** (by Banking and Payment Asia),
- **Branch Innovation of the Year - Gold 2012** (by Asian Banking and Finance Retail Banking Award)



FRANK has since attained an increase in penetration rate and significant growth in its customer base as shown in its development process below.

<p>1 Deep involvement of customers in the design process of FRANK by OCBC</p>	<ul style="list-style-type: none"> • Through Project Revolution in 2010, youths were tightly engaged from the earliest phase of the process • Their needs and thoughts were solicited through various channels and their behaviour was closely observed • A team of CFS senior leaders embarked on a benchmarking trip to seek inspiration from youth-focused retail stores in Europe for ideas to develop the FRANK design concept
<p>2 Developing FRANK by OCBC</p>	<ul style="list-style-type: none"> • The concept and prototypes (life-size store, debit card images, screen designs of online banking) were put to the test with more than 1000 customers • This rapid cycle of brainstorming, prototyping and customer feedback approach helped evolve the concept development tremendously
<p>3 Launching FRANK by OCBC</p>	<ul style="list-style-type: none"> • Today, FRANK by OCBC offers youth a unique banking experience – customised FRANK Debit and Credit Cards consisting of 130 designs for customers to choose from, conveniently located FRANK stores, FRANK Account, FRANK Tuition Fee Loans, FRANK Online and Mobile Banking
<p>4 Continuous tracking and improvement after implementation of Frank by OCBC</p>	<ul style="list-style-type: none"> • FRANK 2.0, a cross-functional team comprising Gen-Ys, was formed to complete the financial journey of the FRANK segment • Concurrently, an innovation challenge on FRANK 2.0 was launched on SparkLabs, an internal idea sharing platform to crowd-source for innovative suggestions from staff

Development of FRANK by OCBC

2. Six-Sigma DMAIC for Process Innovation

CFS adopted the Six-Sigma DMAIC methodology in 2004 to design key business processes. These initiatives are sponsored by the process owners and involve various stakeholders at different stages of the project.

STAKEHOLDERS	DEFINE	MEASURE	ANALYSE	IMPROVE	CONTROL
STAFF	Project Setup, As-Is Process Mapping	Environmental scanning: Benchmarking and process analysis	Challenge rules/ policies and process analysis	Explore solutions/ Design New Processes	Soft Launch/ Launch and monitor performance to refine
CUSTOMERS	Customer Requirements Definition	Voice of customers research		Test design via Experience Lab	Voice of customers
PARTNERS			Analyse and explore possibilities	Develop Solution (with partner), Test and Pilot	

Six-Sigma DMAIC

As customer expectations, regulatory requirements and industry competition evolve over time, CFS strives to innovate and exceed these standards while improving business efficiency. While success can be found in various lines of business, this can be best illustrated with CFS' credit card application process journey.

2005	2009	2012
CFS embarked on Project ZOOM, aimed at reducing cycle time for credit card application	Project FLEX enhanced the application experience for the customer by simplifying the forms and improving staff productivity with enhanced credit policy	After listening to the voice of the customer and learning from best practices globally, Project TRUE designed a seamless online application process

Design Journey for CFS' Credit Card Application Process

3. Visual Prototyping Co-Development for Technological Innovation

The standard System Development Life Cycle (SDLC) methodology was tailored in 2011 to better align with test-and-learn CFS Design Thinking. Project AutoROME (Automated Relationship Opening Made Easy) is a good illustration of Visual Prototyping Co-Development, which enabled CFS to deliver the promised project scope (and more) on time and within budget. This system was launched across the branch network in July 2011 offering a paperless account opening process for both customers and frontline staff. This unique account opening and screen-sharing innovation was recognised with a **Special Commendation for Account Opening in 2012** from the Banking and Payments Asia TrailBlazer Awards.



Visual Prototyping Co-Development

Underlying each of the three innovation processes is a repository of tools and practices that help uncover new ideas and insights. Some of these mechanisms include walking in the customers’ shoes, observations about customers in the Experience Lab, and collecting the voice of customers via Diary Research, all of which are proactive and exploratory studies to identify opportunities for innovation.

SOURCES	KEY MECHANISMS		SECONDARY MECHANISMS
CUSTOMERS	<ul style="list-style-type: none"> • Experience Lab/CX Studio • Customer Research • E-B surveys and verbatim • Complaints via GIFT system 	<ul style="list-style-type: none"> • Mystery shopping • Diary research • Ethnographic studies 	<ul style="list-style-type: none"> • Posts and comments on OCBC Bank’s social media pages
STAFF	<ul style="list-style-type: none"> • Staff Lab sessions 	<ul style="list-style-type: none"> • Multi-disciplinary research • Walk in the customers’ shoes • Power pictures 	<ul style="list-style-type: none"> • Ideas via SparkLabs • Service Requests in CRUS • Focus groups • Process walkthrough
PARTNERS	<ul style="list-style-type: none"> • Studio sessions • Best practice studies 	<ul style="list-style-type: none"> • Cross-functional Project Steering Committees • MOS Councils 	<ul style="list-style-type: none"> • Feedback of internal and external partners
SUPPLIERS	<ul style="list-style-type: none"> • Proof of concept 	<ul style="list-style-type: none"> • Best practice studies 	<ul style="list-style-type: none"> • Feedback of suppliers

Key Mechanisms to Uncover New Ideas from Various Sources

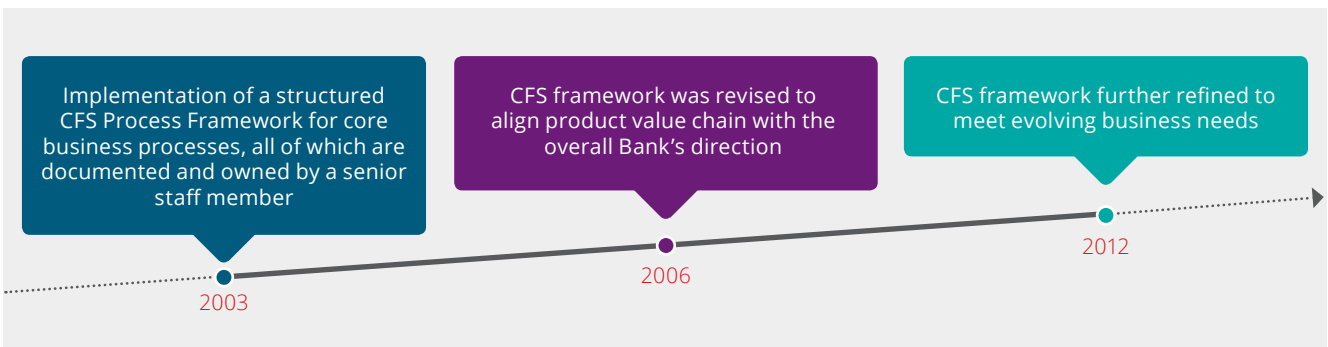
IMPROVING THE INNOVATION PROCESS

Over the years, the CFS senior leaders have made conscientious efforts in reviewing, incorporating and embracing state-of-the-art approaches and techniques when it comes to designing and developing key products and services. On top of our three systematic innovation processes, studies were conducted to learn best practices from other industries, particularly organisations known for innovation as well as learning from within the Bank.

PROCESS MANAGEMENT AND IMPROVEMENT

“ We standardise processes to bring about **QUANTUM LEAPS** in performance

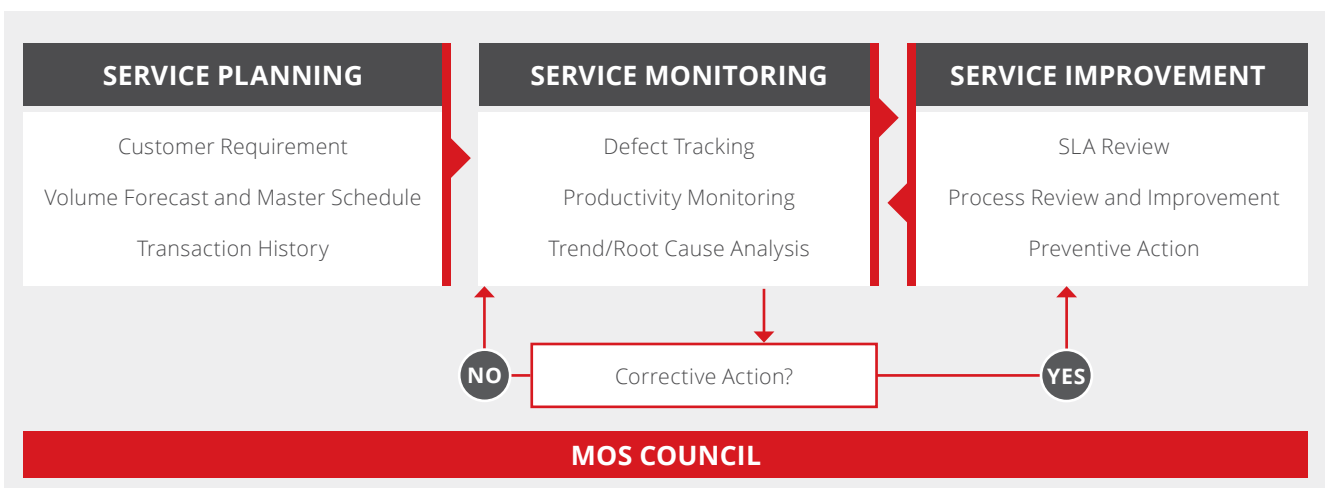
A structured CFS Process Framework is in place to standardise processes across the organisation. Process maps are shared via OCBC Bank’s intranet portal and used by staff in their daily course of work to deliver a consistent service experience. The evolution of this framework since its implementation in 2003 is traced below.



Evolution of CFS Process Framework

Each process owner is accountable to drive their process’ performance and make improvements through a Management Operating Systems (MOS) framework. Key process metrics and targets are set for performance reviews at the MOS Council meetings.

Operationalisation of this integrated approach as applied in the service delivery space through service planning, customer servicing, process performance monitoring and sustenance for continuous improvement is shown below.



MOS Framework

BUSINESS CONTINUITY MANAGEMENT

OCBC Bank has a well-established Operational Risk Management framework where Business Continuity Management (BCM) is an important component. Every department within CFS holds a business contingency plan. It considers different crisis scenarios ranging from threats necessitating evacuation at branches and

offices, to varying degrees of critical system failure. This ensures uninterrupted availability of all key business resources required to support critical business activities.

Within this framework, priority is given to scenarios that directly impact customers. In September 2011, the OCBC Bank's core banking system encountered problems. A CFS crisis command centre was activated immediately and the team maintained close communications with the IT team to assess the impact and activated contingency plans. This ensured that critical services continued to be delivered to customers at the branches without disruption.

As a result of such prudent recovery preparations, services were restored within a few hours. Many positive comments were received from customers and from the media recognising these proactive efforts.

The image contains three callout boxes with positive feedback:

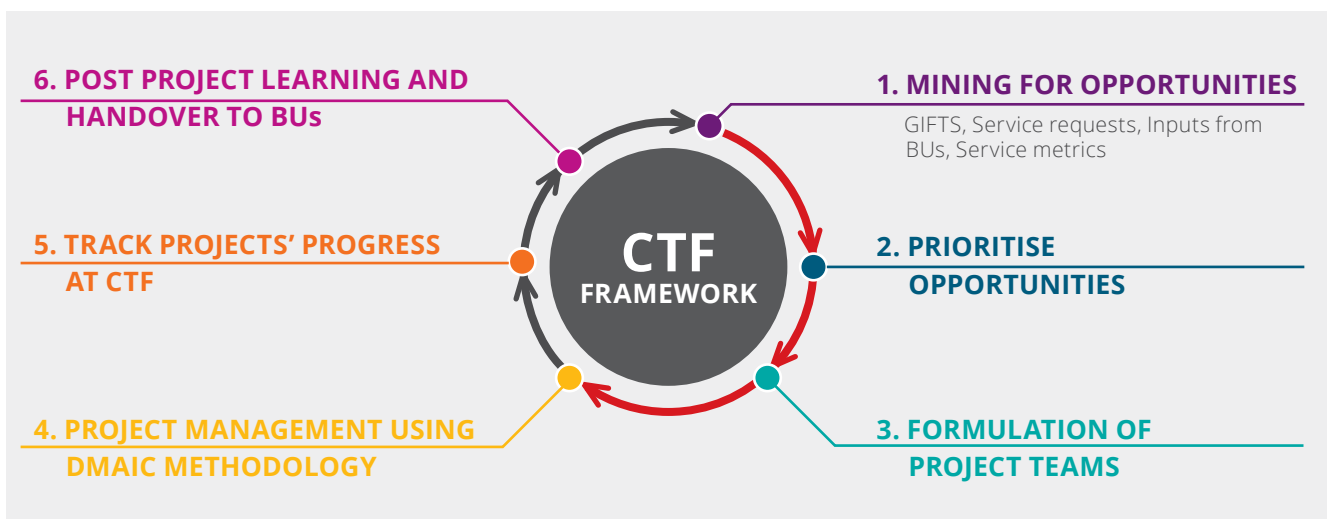
- Box 1 (Orange border):** "In my humble opinion, there isn't a need for an apology. Instead, I think OCBC has done very well in keeping all of us informed almost immediately. This is something that I have to share to all my staff in my company. **I AM GLAD I BANK WITH OCBC.**"
- Box 2 (Purple border):** "I find this a wonderful and effective form of **SERVICE RECOVERY**. Well done, we need more people to be **UPFRONT, HONEST** and **SINCERE** in admitting to mistakes that could have been preventable or non-preventable. Thank you!"
- Box 3 (Teal border):** "The **CONSTANT TRANSPARENT UPDATE** with the direct SMS, local media and email shows **GREAT COMMITMENT IN UPDATING THE CUSTOMERS.**"

Positive Comments from Customers and Media

PROCESS IMPROVEMENT

Process Owners have continued to take a proactive stance in sponsoring improvement projects for both incremental as well as transformational change to bring about quantum leap in performance. Between 2010 and 2013, a total of 35 six-sigma projects were initiated. These projects stem from insights gained through various sources, including analytics, market research, customer surveys and feedback.

While larger scale process innovation projects are steered via Project Steering Committees, incremental process improvement projects which also adopt the six-sigma DMAIC approach, are managed via the Central Taskforce framework.



CTF Framework

SUPPLIER AND PARTNERSHIP MANAGEMENT



We stay **COMMITTED** to valuable **WIN-WIN** partnerships

CFS works and actively engages strategic partners who are aligned with our strategic thrusts. These partnerships are regularly monitored to ensure their continued relevance and mutual benefits, which has reaped benefits for customers. For example, during a joint promotion review with NTUC Fairprice, training opportunities for NTUC Fairprice cashiers were jointly identified. Regular structured training for the cashiers was introduced, and this in turn has benefitted shoppers' experience.

Our strategic partnerships are shown below:

PARTNERSHIP WITH ROBINSONS GROUP (comprising Robinsons, Marks and Spencer, and John Little)	PARTNERSHIP WITH NTUC FAIRPRICE AND NTUC LINK	PARTNERSHIP WITH GREAT EASTERN LIFE
<ul style="list-style-type: none"> CFS' insights boost promotional campaigns, marketing and merchandising plans by Robinsons Group 	<ul style="list-style-type: none"> Started OCBC Plus!, the first supermarket retail bank of its kind in the region 	<ul style="list-style-type: none"> Forged a strong strategic alliance with GE Life at both business and operational levels
<ul style="list-style-type: none"> OCBC Bank assisted in designing the Robinsons flagship store at Heeren and built a mobile app for customers 	<ul style="list-style-type: none"> Offers OCBC Bank's customers a holistic banking experience from Plus! banking products to OCBC Lite branches at selected Fairprice supermarkets 	<ul style="list-style-type: none"> Project RIO launched in 2012 has delivered the industry's first integrated insurance application form and reduced the application cycle time
<ul style="list-style-type: none"> OCBC Bank provides training support for Robinsons' frontline staff 	<ul style="list-style-type: none"> Offers value-added services beyond what a bank, supermarket and loyalty program could have offered individually 	<ul style="list-style-type: none"> GE Life staff participated in the OCBC Quality Leaders programme on the Six Sigma DMAIC approach
		<ul style="list-style-type: none"> OCBC Bank's advanced analytics is adapted in GE Life to develop product solutions to better serve customers' needs
		<ul style="list-style-type: none"> OCBC Bank and GE Life achieved the leading position in the Singapore Bancassurance industry for 13 consecutive years