

**Virtual Roundtable Series on COVID-19 Mitigation Efforts #4:  
DBS on Digital Relief  
April 16, 2020**

**Q&A summary**

**1. Did DBS conduct any survey to identify the needs of its customers before designing the solutions?**

We work very closely with our customers at the grassroots level, taking feedback through direct interviews and immersion workshops to identify key pain points. DBS also frequently participates in feedback sessions organised by respective industry associations, to ensure close collaboration and good understanding of industry challenges and opportunities.

**2. How can an underdeveloped country adopt a strategy for SME where digitization is not as advanced compared to developed countries?**

The customer experience should always remain as key focus to journey design, regardless of market or digital literacy. Having a deep understanding of your customers' pain points and focusing on the design thinking is integral to developing effective solutions.

**3. How is KYC done for insurance coverage? Fully digital for both loan & insurance?**

For Bancassurance, KYC with the customer can now be done via video conference and documents are sent across for the necessary follow up.

**4. How has the Singaporean government response impacted your ability to do what you are doing for you SME customers?**

The government of Singapore has enacted a number of policies including credit guarantee schemes which provide 90% risk sharing with government. The government of Singapore has passed 3 budgets in last 4 weeks and is working with banks like DBS to provide liquidity to markets in a quick manner.

**5. What is the key data you are using? How can you do instant response?**

Outreach is digital not just applications but all the way to securitization and document collection and disbursement.

Digital business loans are a new product that were built for the current situation so the financial statement-free aspect of this was a conscious decision to provide liquidity for customers. The requested documents are bank statements, notices of tax assessment and credit bureau scores. The goal is for DBS to give as much credit as possible in a prudent and responsible manner.

**6. What is the pricing for nonfinancial services such as the delivery platforms? Are the courses free?**

DBS does not earn anything for pairing F&B clients with FinTech companies to implement delivery services, but we played a matchmaking role of sorts. But even the costs to our customers is almost nothing as the government of Singapore subsidizes the costs of creating a platform for delivery.

For our Business Class courses and services, over the last 5 years we have been running seminars and courses and these have been free to our customers as well as to SMEs writ large as you don't need to be a DBS customer to enjoy these. Our DBS experts step up and share their knowledge and they share this for free.

**7. Different regulations for food delivery in different markets? What are online platforms charging for commission?**

Logistics players in Singapore are considered essential services so we have been able to help this sector. Food aggregators such as Uber eats, foodpanda, grabfood, etc typically charge 30-33% commission for food delivery which could be the entire profit of a restaurant. DBS worked with Oddle and FirstCom to build an online presence for the F&B establishments in as little as 3-5 days to offer food delivery at much reduced rates, thereby providing additional online channels for increasing revenue to our F&B customers.

**8. Different levels of digitization in different markets?**

Digital and government architecture is different in each country and that changes at what level DBS can serve as a trusted data source within each of our 6 core markets – Singapore, China, Taiwan, Indonesia, India, and Hong Kong. For example, China had been somewhat reluctant to allow remote account opening, but the People’s Bank of China (PBOC) has relaxed their policies in the last 4-5 weeks so that accounts could be opened remotely.

**9. In an environment of social distancing and WFH (working from home) and quarantining, how does the operational piece work especially if this continues? What is happening behind the scenes operationally?**

DBS has engaged digitalizing for employees already e.g. 90% of staff use laptops instead of desktops; VPN to be able to access; entire depts like audit, HR, compliance are all working from home and some staff in branches but largely work from home; regularly review and test our Business Continuity Plans.

For lending application processes: data from government has become available and we are able to use government data bases to pull this information out versus getting paperwork from SMEs; the applications process can be done 100% online and acceptance can be done remotely.

**10. What’s happening to risk criteria and underwriting standards/criteria?**

**FNB:** We are going into a lot more detail into the data and collecting more data than we had before along with getting into the specifics of the business. We are interested in whether the business was healthy before the crisis and use that as a clear point in the decision stream. We then look at what the future risk might be looking at overall industry information.

COVID-19 has forced us to rapidly evolve our thinking around what the actual structure of industries may look like after COVID-19 as we think that many businesses and industries may be transformed as a result of this pandemic and so we need to anticipate that as we make risk decisions now.

**DBS:** We are very clear on 2 objectives: 1) our responsibility to SME customers to be there in tough times and 2) our fiduciary duty to our stakeholders such that we are being prudent. DBS focused on community outreach to make things easier for customers to get liquidity- reducing documents needed which needs to be augmented by traditional and nontraditional data and using data analytics, etc. We take a wholesale approach – how much is this a COVID issue and how much is it a fundamental structural issue of the business? We are using “good old human common sense” along with data analytics.

**11. DBS has distributor financing how does the crisis affect that? How are your supply and distributor financing being affected?**

**DBS:** The key is how do we use data for nonbanking financial activities, such as the sales of distributors, sales to distributors, and not just look at financing? We are looking to offer ability to these customers to collect digitally.

**FNB:** We made the decision to settle all our suppliers immediately which say about R1bn being paid mainly to SME’s who supply the FirstRand Group. We continue to provide invoice discount finance to our clients, and we are also exploring several partnerships with regard to purchase order finance.