

# SINGAPORE BANK DBS: A BLUEPRINT FOR DIGITAL TRANSFORMATION IN FINANCE

DBS Bank is the largest bank in Southeast Asia, with operations in 19 markets around the world. DBS is widely known in the banking industry for value creation through digital transformation and has been named World's Best Digital Bank and World's Best Bank [multiple times](#).

For a bank, digital transformation means an operational and cultural shift towards integrating digital technology into all bank functions, fundamentally enhancing bank operations and value delivery to customers. Not all banks can claim successful transformation outcomes, even though digital transformation is necessary for long-term survival in the face of the disruption brought by FinTechs and evolving customer expectations.



Nimish Panchmatia,  
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*Source: Infosys*

Digital transformation in the financial sector are the most challenging because of strict regulations. End customers are demanding 21<sup>st</sup> century experiences and the enterprise has to balance out the risk of making one wrong move until the regulators start swarming.

I recently had the opportunity to talk with Nimish Panchmatia, Chief Data & Transformation Officer at DBS Bank, to find out why the Singapore bank has become a “poster child” for digital transformation in the banking industry.

## A STRONG LEADER TASKED WITH DIGITAL TRANSFORMATION

In talking to many companies across multiple industries, I have found that leadership from the top of the organization is a vital success factor for successful digital transformation. Executive management must consistently communicate the transformation vision and inspire the organization to participate. The title may not always be chief transformation and data officer, but a strong leader should fill the role of overseeing the execution of the strategy. The position is vital for banks, which are typically organizations that have several lines of business, each with its own priorities.

In his role, Panchmatia looks three to five years into the future. For example, looking back five years, Blockchain, 5G and the Internet of Things (IoT) were focus areas. Today, his team's focus has expanded to include generative AI and digital twins — while still waiting for 5G to flourish.

As Panchmatia noted, “We must decipher what the technology means for the organization. Where does the organization need to be so that there are no surprises? Are we prepared with our people, processes, and technology to address what's coming?” Once impacts are understood, the work focuses on creating change programs across the board that encompass people, culture and technology.

Panchmatia has a team tasked with teaching new skill sets and assembling learning programs to prepare for change. Panchmatia noted, “To be prepared spans how we organize and work, the new skills people need, what environments people need and what does it all mean from a customer journey and experience point of view?”

Data drives everything. DBS has a central team called DataFirst that is tasked to pull together all the necessary data, tools and skills to serve the organization. This team is innovating to the next level, using analytics, AI and machine learning (ML) and working on use cases that make a difference for customers, the business and employees.

## THE TRANSFORMATION PROCESS NEVER ENDS

The real key to success is realizing that the transformation process never ends. Individual initiatives may have defined timelines, but all of them should contribute to an ongoing organizational discipline.

In 2021, DBS refreshed its vision from being “the best bank in the world” to being “the best bank for a better world” and has brought a singular focus to that journey. It's a journey that does not have a stop sign anywhere, but one that executives and rank-and-file employees alike understand is continuously evolving.

Panchmatia noted that talking about becoming “best bank for a better world” isn't just for the people at the top of the company; it means something important to the person processing a credit card or interacting with a customer in the branch or the call center. All employees must understand the program and its messages. Otherwise, it is just lofty words.

## DBS AND INFOSYS FINACLE — UNPLUGGING THE MAINFRAME

It's instructive to dig deeper into an example of a digital transformation project that has paid off for the bank. A decade ago, DBS was on a mainframe in a completely outsourced arrangement; the technology was operated by that vendor's employees. Everything was proprietary, with millions of dollars each year being paid for database and mainframe licenses.

DBS saw that the world was changing, and its CEO, Piyush Gupta, challenged the organization to devise a plan to get off the mainframe. One of the first tasks was to list all the related applications and other technologies and classify them into three categories: decommission, invest or retain. The second major decision was transitioning from a fully outsourced employee model to one where DBS was in control of its technology agenda. The rationale being that technology is the biggest driver of a digital company, so the expertise better be in-house. The third thing the bank did was talk with other companies that were already on the transformation journey to learn what was possible.

At this point, DBS engaged [Infosys](#) for several application solutions that could be viable alternatives to mainframe core banking. These included solutions to support bank operations, wealth management and liquidity management, to name a few.

DBS also collaborated with Infosys on many significant transformations. One of them was DBS choosing Infosys Finacle, a cloud-ready API solution, as the open and flexible core platform for their operations across 13 markets. Another was launching a mobile-only bank, digibank, in markets like India and Indonesia to provide customers with a simple, convenient and secure way to bank on-the-go.

## THREE CRITICAL SUCCESS FACTORS FOR DIGITAL TRANSFORMATION

When DBS launched its digital transformation, three key elements were vitally important. One was being digital to the core. To DBS, "digital to the core" means having a rock-solid foundation of core systems and common platforms across all locations. In practical terms, that meant investing in cloud infrastructure and rearchitecting applications to be cloud-ready, becoming more data-driven and integrating AI/ML capabilities.

The second element was to push customer-journey thinking throughout the organization. This meant putting the firm at the forefront of digital banking by offering customers cutting-edge digital financial services.

The third element was changing the company's culture to operate with the energy and agility of a startup. It's not easy, but it's worth it to create a culture that embraces experimentation and innovation while ensuring that all employees have the necessary skill sets so no one is left behind.

## WRAPPING UP

The transformation process never ends, and we will continue to see DBS placing bets on emerging technologies. As digitalization has become table stakes at many banks, DBS continues to invest in at least three areas that create more differentiation.

The first is the integration of AI/ML and data analytics. These include use cases that span customer-facing businesses such as consumer and SME banking as well as support functions including legal, compliance and human resources.

The second is an ecosystem strategy enabled by an API suite; this results in new business won without customer acquisition costs through partnerships with companies such as ByteDance, Ctrip, Home Credit and Kredivo.

The third is the ongoing efforts at DBS to develop an agile workforce to support its startup-style culture.

The DBS story illustrates what a genuinely future-ready business looks like. By this point, DBS isn't merely a technology-friendly bank; it would be more apt to identify it as a technology company with a banking license.

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