

OCBC

Embracing the Digital Frontier

Formed in 1932 from the merger of three local banks, OCBC is the longest established Singaporean bank. The bank offers its customers a broad range of commercial banking, specialist financial and wealth management services in key markets in Singapore, Malaysia, Indonesia, and Greater China. With more than 420 branches and representative offices in 19 countries and regions, OCBC's purpose is to help individuals and businesses across communities achieve their aspirations through the provision of innovative financial services that cater to their needs.

BREAKING FROM CONVENTIONAL BANKING TO DRIVE PROGRESS

Over the years, OCBC has built up their digitalisation efforts, officially embarking on a digital core roadmap in 2019. During Phase I of this roadmap (2019-2022), they focused on modernising their technology to become modular and scalable, allowing them to rapidly deliver new digital capabilities. The next phase of the digital core roadmap is projected to occur between 2023 and 2025, with a focus on customer-led design and development.

As part of the roadmap, OCBC has rolled out innovative features for their customers, breaking away from conventional banking services. For example, in 2019, they were the first bank to offer customers the option to use QR codes to access their bank accounts

at their ATMs. This feature was especially useful during the pandemic, when people were uncomfortable with touching the ATM keypads. In November 2022, OCBC was also the first bank to introduce digital passport authentication for foreign SME owners to open accounts. This eliminated the need for cumbersome paper documents and reduced the time needed to open an account. Furthermore, since early 2022, OCBC has enabled Singaporeans to withdraw their government payouts through facial verification at OCBC ATMs without requiring an OCBC account.

OCBC is also the first Singapore bank to enable fully digital account opening for foreigners. Individuals from Malaysia, Indonesia, Mainland China and Hong Kong SAR will be able to open Singapore dollar and multi-currency accounts on the OCBC

Digital app remotely within minutes. This expedites the entire relocation process as a bank account facilitates two other key administrative arrangements – salary crediting and securing of accommodation. Currently, it takes days or even weeks to open a bank account as it entails travelling to Singapore and then walking into a bank branch to produce physical documentation for verification. To fully digitalise this process, OCBC has leveraged artificial intelligence, data analytics, biometrics, blockchain and cloud technologies from OneConnect Financial Technology, an associate company of Ping An Group. These technologies have been integrated with OCBC's proprietary digital process (e-KYC).

Programmable Money

OCBC strongly believes in breaking new ground with technology. The bank is in the midst of exploring and building capabilities of programmable payment and programmable money powered by distributed ledger technology (DLT) and smart contracts. Specifically, the bank is a key industry participant of Project Orchid, a project aiming to explore potential use cases for programmable money in Singapore and develop the technological infrastructure and technical competencies necessary to introduce a digital Singapore dollar. Purpose Bound Money (PBM), explored in Phase 1 of Project Orchid, builds upon the concept and capabilities of programmable payment and programmable money.



OCBC-NTU research collaboration signing: Singapore's Deputy Prime Minister, Coordinating Minister for Economic Policies, and Chairman of the National Research Foundation, Mr Heng Swee Keat (standing, middle), witnessed the signing of the research collaboration agreement between NTU Singapore and the bank.



Digital passport authentication: OCBC has leveraged digital passport authentication as part of its Know-Your-Customer process for foreign business owners of Singapore-incorporated SMEs.

systems. For instance, they have streamlined more than 500 processes in the last 8 months and eliminated half a million emails annually from contact centre to support functions and operations. This not only hastens responses to customers but also drives a better working experience for their employees. Another example of a streamlined process is the shortened approval process for OCBC's product developers to roll out new products to the market. In 2022, the turnaround time was reduced by at least 40%.

Transforming Trade Finance

The bank has also embarked on projects to transform trade finance. Traditionally, the field has relied heavily on manual, paper-based processes, rendering it vulnerable to fraud and manual errors. Through their partnership with Singapore Trade Data Exchange (SGTraDex), OCBC developed use cases to synthesise a common trusted and secure data-sharing infrastructure for stakeholders in the supply chain ecosystem. The bank also obtained an equity stake in the leading commodities trade finance blockchain platform Komgo and have availed the platform to their customers. Komgo enables the digital and secure data exchange and documentation between stakeholders in the trade finance value chain, thus reducing the risk of fraud and manual errors.

Sustainability and Cyber Security

OCBC has also undertaken initiatives to enable their customers to progress on their sustainability goals with digital tools and data. The bank partnered with the Building and Construction Authority to help SMEs in the property value chain transition to sustainability by facilitating SMEs access to green loans using BCA's building energy efficiency assessment tool.

In November 2022, OCBC engaged in a collaboration with Nanyang Technological University (NTU) Singapore to develop innovative technological solutions in key areas such as data privacy and cyber security. This puts OCBC at the forefront of newer privacy enhancing technologies, which will be highly relevant to the future of banking.

The Future of Digitalisation

Most banks are attempting to digitalise and provide a seamless and personalised experience to customers. However, this transition will require time – legacy systems require sustained efforts to change. Nevertheless, given their early investments, OCBC is well-positioned to transform in this area. In 2017, the bank operationalised its \$240 million data centre, which serves as the foundation for the development and scaling of digital capabilities.

REFINING OPERATIONS

Without fundamental changes to operating models, the implementation of digital technologies cannot propel transformation. Other than building digital capabilities, OCBC will continue to invest in refining operations and improving productivity. More specifically, the bank has been streamlining processes and improving their employee

BUILDING WORKFORCE CAPABILITIES

Since 2018, the company has been developing in-house capabilities in lieu of relying on external vendors with the goal of shortening development time and better meeting customer requirements. Furthermore, OCBC has been and intends to continue expanding their tech workforce within the bank, doubling their tech workforce between 2018 and 2023, and aiming to hire another 1,500 by 2025. The company also holds workshops, courses, and company-wide events to promote agile mindsets, design thinking, facilitate human-centred design, introduce new technologies around Large Language Models (LLMs), and inform on big data, modularised system architectures, among other topics. In terms of workforce development, OCBC has also begun organising their teams horizontally to bring different expertise and skill sets into one single unit to drive common goals for the bank. This shift is crucial to aligning priorities and driving success.



OCBC BANK LTD

63 Chulia Street | #10-00 OCBC Centre East | Singapore 049514

W: www.ocbc.com

T: +65 6538 1111