How we create value – our business model

Our business model seeks to create value for stakeholders in a sustainable way.

How we create value **Our resources Our strategy Differentiating ourselves Governing ourselves** Brand Our strategy **Banking the Asian Way Competent leadership Balanced scorecard** Our strategy is predicated on Asia's megatrends, We marry the professionalism of a best-in-class A strong, well-informed and fully engaged board bank with an understanding of Asia's cultural including the rising middle class, growing provides strategic direction to management. intra-regional trade, urbanisation, and the rapid nuances. Management executes on strategy and drives adoption of technology that is fuelling new performance and organisational synergies. A remuneration. Asian relationships Customer innovations. matrix reporting structure drives joint ownership We recognise that relationships have swings and relationships between regional function heads and local We seek to intermediate trade and capital flows roundabouts, and stay by our clients through country heads. as well as support wealth creation in Asia. Our down cycles. Read more about our leaders from pages 4 established and growing presence in Greater to 7. Asian service China, South Asia and Southeast Asia makes us a Our service ethos is to be Respectful, Easy to deal compelling Asian bank of choice. **Effective internal controls** with and **D**ependable. Intellectual Our internal controls framework covers financial, In Singapore, we serve all customer segments. capital operational, compliance and information Asian insights Outside Singapore, we traditionally serve technology controls, as well as risk management We know Asia better; we provide unique Asian corporates and mass affluent segments. We have policies and systems. insights and create bespoke Asian products. begun to engage individuals and SMEs through a digital strategy to extend our reach in growth strategic outcomes Three lines of defence guard our operational Asian innovation markets. excellence: identification and management of We constantly innovate new ways of banking **Employees** risks by units, corporate oversight exercised by as we strive to make banking faster and simpler. Making Banking Joyful control functions, and independent assurance by while delivering contextualised and relevant Asian We seek to "Make Banking Joyful" – by Group Audit. products and services. leveraging digital technologies and embedding ourselves seamlessly into our customers' lives Read more about our internal controls from Asian connectivity to deliver simple, fast and contextual banking pages 53 to 55. We work in a collaborative manner across solutions and experiences. We are here for the Financial geographies and businesses, supporting our Strong risk and governance culture long term, with a view to enrich lives, transform customers as they expand across Asia. anchored on PRIDE! values businesses and drive sustainable outcomes. Effective safeguards against undesired business Technology and infrastructure To achieve this, we are building five key conduct have to go beyond a "tick-the-box" Over the years, we have invested in our people capabilities: leveraging digital for customer mentality. We are focused on inculcating a strong and skills, and re-architected our technological Physical acquisition, eliminating paper and creating instant risk culture to ensure that we operate in an backbone to be digital to the core i.e. cloudpages 26 to 31. infrastructure fulfillment in transactions, engaging customers ethical and sound manner. native, resilient and scalable. digitally, building ecosystem partnerships, and page 57 to 61. Our PRIDE! values shape the way we do business becoming a data-driven company. To further think and behave like big technology and work with each other: Purpose-driven, companies where we can respond to rapidly Read more about our digital strategy from Relationship-led, Innovative, Decisive, Everything pages 9 and 34. changing consumer demands with agility and Funl scale, we have re-engineered our business and Natural resources We periodically review our strategy, taking into technology towards a platform operating model Rooted in our DNA is a role beyond short-term account emerging megatrends, the operating where business and technology work together profit maximisation: doing real things for real environment and what our stakeholders are with shared KPIs in an agile manner. people to create social value and playing our telling us. These are material matters that can part to drive the environmental and sustainability impact our ability to create value. In addition, we have embraced design thinking to agenda. deliver customer-centric front-end applications. Read more about our material matters and Read more about our sustainability efforts on Societal stakeholder engagement on pages 67 and 70. Nimbleness and agility pages 96 to 97. relationships We are of a "goldilocks" size – big enough to Our businesses have meaningful scale yet nimble enough to We have three core business segments: guickly act on opportunities. We are re-wiring the organisation to create a startup culture. Institutional Banking Consumer Banking/ Wealth Management This allows us to embed customer centricity and drive internal collaboration by embracing • Treasury Markets experimentation, entrepreneurship and Read more about our businesses from pages 36 innovation. to 41 and 175. 62 | DBS ANNUAL REPORT 2018

Our strategy is clear and simple. It defines the businesses that we will do and will not do. We use our resources to build competitive advantages. We have put in place a governance framework to ensure effective execution and risk management. Further, we have a balanced scorecard to measure our performance and align compensation to desired behaviours.

Read more about how we use our resources on pages 64 to 65.



Read more about our remuneration policy on