









How we create value – our business model

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



-  **Brand**
-  **Customer relationships**
-  **Intellectual capital**
-  **Employees**
-  **Financial**
-  **Physical infrastructure**
-  **Natural resources**
-  **Societal relationships**

How we create value

Our strategy

Our strategy

Our strategy is predicated on Asia's megatrends, including the rising middle class, growing intra-regional trade, urbanisation, and the rapid adoption of technology that is fuelling new innovations.

We seek to intermediate trade and capital flows as well as support wealth creation in Asia. Our established and growing presence in Greater China, South Asia and Southeast Asia makes us a compelling Asian bank of choice.

In Singapore, we serve all customer segments. Outside Singapore, we traditionally serve corporates and mass affluent segments. We have begun to engage individuals and SMEs through digital and ecosystem strategies to extend our reach in growth markets.

Making Banking Joyful

We seek to "Make Banking Joyful" by leveraging digital technologies and embedding ourselves seamlessly into our customers' lives to deliver simple, fast and contextual banking solutions offering differentiated customer experiences. We are here for the long term, with a view to enrich lives, transform businesses and drive sustainable outcomes.

To achieve this, we are building six key capabilities: leveraging digital for customer acquisition; eliminating paper and driving automation to deliver instant fulfilment; engaging customers digitally; building ecosystem partnerships; becoming a data-driven company and incorporating sustainable principles into our financial products and corporate practices.

Read more about our strategy on pages 8, 18 to 41.

We periodically review our strategy, taking into account emerging megatrends, the operating environment and what our stakeholders are telling us. These are material matters that can impact our ability to create value.

Read more about our material matters and stakeholder engagement on pages 71 to 75.

Our businesses

We have three core business segments:

- Institutional Banking
- Consumer Banking/ Wealth Management
- Treasury Markets

Read more about our businesses on pages 38, 40 and 180.

Differentiating ourselves

Banking the Asian Way

We marry the professionalism of a best-in-class bank with an understanding of Asia's cultural nuances.

Asian relationships

We recognise that relationships have swings and roundabouts and stay by our clients through down cycles.

Asian service

Our service ethos is to be Respectful, Easy to deal with and Dependable.

Asian insights

We know Asia better; we provide unique Asian insights and create bespoke Asian products.

Asian innovation

We constantly innovate new ways of banking as we strive to make banking faster and simpler, while delivering contextualised and relevant Asian products and services.

Asian connectivity

We work in a collaborative manner across geographies and businesses, supporting our customers as they expand across Asia.

Technology and infrastructure

Over the years, we have invested in our people and skills, and rearchitected our technological backbone to be digital to the core (i.e. microservices, cloud-native, resilient and scalable).

To further think and behave like big technology companies where we can respond to rapidly changing consumer demands with agility and scale, we have re-engineered our business and technology towards a platform operating model where business and technology work together with shared KPIs in an agile manner.

In addition, we have embraced design thinking to deliver customer-centric front-end applications.

Nimbleness and agility

We are of a "goldilocks" size – big enough to have meaningful scale yet nimble enough to quickly act on opportunities. We are re-wiring the organisation to create a startup culture. This allows us to embed customer centricity and drive internal collaboration by embracing experimentation, entrepreneurship and innovation.

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 68 to 69.

Our stakeholders

Governing ourselves

Competent leadership

A strong, well-informed and fully engaged board provides strategic direction to management. Management executes on strategy and drives performance and organisational synergies. A matrix reporting structure drives joint ownership between regional function heads and local country heads.

Read more about our leaders on pages 4 to 7.

Our PRIDE! values

Our PRIDE! values of Purpose-driven, Relationship-led, Innovative, Decisive and Everything Fun! define what we stand for, and anchor how we do business and work with one another.

We have translated these values into a set of 12 behaviours. These behaviours guide how we do business and how we interact with the community.

Read more about our PRIDE! values on page 32.

Effective internal controls

Our internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems.

Three lines of defence guard our operational excellence: identification and management of risks by units, independent oversight exercised by control functions, and independent assurance by Group Audit.

Read more about our internal controls on pages 56 to 59.

Building a sustainable franchise

We aim to build a company that is here for the long term. To do this, we believe in building a culture that is mindful of our risk, compliance, environmental and social responsibilities.

Rooted in our DNA is a role beyond short-term profit maximisation, with a purpose to create social value in innovative ways and playing a part to drive our sustainability agenda.

Read more about our sustainability efforts on pages 100 to 101.

We leveraged technology and data to strengthen and augment our risk management processes and systems. We further created our own data governance framework, implementing clear regulatory, legal and ethical boundaries to ensure that we use data in a respectful and responsible manner.

Read more about our governance efforts on pages 34 to 35.

Measuring ourselves

Balanced scorecard

We use a balanced scorecard approach to assess our performance, track the progress we have made in executing our strategy and determine remuneration.

The scorecard is divided into three parts and is balanced in the following ways:

- Between financial and non-financial performance indicators. Almost one-quarter of the total weighting is focused on control and compliance metrics. We have key performance indicators (KPIs) to track progress made on our digital transformation agenda and the value created from digitalisation
- Across multiple stakeholders
- Between current-year targets and long-term strategic outcomes

The scorecard is updated yearly and approved by the Board before being cascaded throughout the organisation, ensuring that the goals of every business, country and support function are aligned to those of the Group. Performance is assessed against the scorecard to determine remuneration, providing a clear line of sight between employee goals and organisational imperatives. We have achieved a well-established rhythm towards performance monitoring and our rewards are closely linked to scorecard outcomes.

Read more about our balanced scorecard on pages 26 to 33.

Read more about our remuneration policy on pages 61 to 65.

● Shareholders

● Customers

● Employees

● Society

● Regulators and policy makers