

# How we create value – our business model

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

## Our resources

## How we create value

### Our strategy

### Differentiating ourselves



Brand

### Our strategy

Our strategy is predicated on megatrends such as Asia's strong growth and rising intra-regional trade, rapid technological advancements and the digitalisation of industries and economies, as well as the shift towards building a sustainable future.

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.

We are a full-service commercial bank in Singapore and Hong Kong and are scaling up these capabilities in India and Taiwan. We engage individuals and SMEs through digital and ecosystem strategies in Indonesia and China (including the Greater Bay Area).

We leverage digital technologies and data to create differentiated customer and employee experiences. We keep abreast of and invest in emerging technologies that could reshape current banking practices.

We have made wide-ranging commitments to a more sustainable future. They encompass the way we do business, sustainable practices in our operations, as well as our role in the communities we are a part of.

### AI-enabled Bank with a Heart

We aim to be an AI-enabled bank with a heart by blending machine capabilities with human qualities such as creativity and empathy - industrialising AI responsibly across the bank to augment our employees and deliver customer-centric solutions. This includes embedding ourselves seamlessly into our customers' lives.

As part of our commitment to providing differentiated customer experiences, we manage through journeys by architecting our key customer processes horizontally and leveraging data-driven operating models. This helps break silo thinking and fosters joint accountability across cross-functional teams. We continue to transform our operating models to seize opportunities arising from technological advancements.

*Read more about our strategy on pages 14-17.*

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.

### Our businesses

We have three core business segments:

- Institutional Banking
- Consumer Banking / Wealth Management
- Global Financial Markets

*Read more about our businesses from pages 36-41.*



Customer relationships



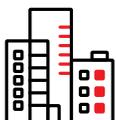
Intellectual capital



Employees



Financial



Physical and digital infrastructure



Natural resources



Societal relationships

### Asian roots and global connectivity

We are present in 19 markets around the world, and combine a deep understanding of Asia with strong global connectivity. We are headquartered and listed in Singapore, and are in three key Asian axes of growth: Greater China, Southeast Asia and South Asia. This allows us to provide unique Asian insights and create bespoke Asian products. Our global connectivity further enables us to meet the cross-border needs of our clients and provide a comprehensive suite of customised solutions.

### Trusted institution

We are a trusted partner to our customers - we seek to build lasting relationships with customers and aim to be Respectful, Easy to deal with and Dependable. As a purpose-driven bank, we are also committed to giving back to society. We have consistently been named the "Safest Bank in Asia" by Global Finance, a testament to our financial strength, upon which we continue to fortify our role as a trusted partner to our customers and the community.

### Technology and infrastructure

Over the years, we have invested in our people and skills, and re-architected our technological backbone to be digital to the core (i.e. microservices, cloud-native, resilient and scalable). We continue to strengthen our focus on change management, system resilience/ recovery, incident management, as well as technology risk and oversight to ensure service reliability.

Our robust data infrastructure and platforms empower employees to use data and AI/ ML securely and efficiently. Our responsible data governance frameworks and principles ensure that data and AI applications are fair and ethical.

To respond to rapidly changing customer demands with agility and at scale, we have re-engineered our business and technology teams towards a platform operating model where business and technology work together in an agile manner toward shared KPIs. We have also embraced design thinking to deliver customer-centric front-end applications.

### Culture of innovation, nimbleness and agility

We are of a "goldilocks" size - big enough to have meaningful scale yet nimble enough to quickly act on opportunities. We pivoted to managing through journeys and working in horizontal organisations to drive outcomes. This allows us to embed customer centricity, drive agility and increase internal collaboration by embracing experimentation, entrepreneurship and innovation. Our One Bank approach brings together business and support units across markets to provide holistic solutions to our customers.

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.

## 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 10-13.*

#### 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.

#### 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 59-62.*

#### Building a Sustainable Franchise

We aim to build a company that is here for the long term, based on responsible banking, responsible business practices, and impact beyond banking. Rooted in our culture is a sense of purpose and an innovative drive to create social value and achieve meaningful impact, while balancing our risk and compliance responsibilities.

*Read more about our sustainability efforts on pages 73-75 and in our Sustainability Report.*

We leveraged technology and data to strengthen and augment our risk management processes and systems. We further created our own data governance framework setting out 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 32-33.*

### 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 transformation agenda and our shift toward managing through journeys.
- 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 26-31.*

*Read more about our remuneration policy on pages 65-69.*



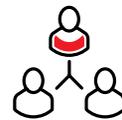
Shareholders



Customers



Employees



Society



Regulators and policy makers