

# Material matters

Material matters have the most impact on our ability to create long-term value. These matters influence how the Board and senior management steer the bank.

For more information on Board structure and processes, please refer to page 50.

## Our material matters identification process



### Identify

We **identify** matters that may impact the execution of our strategy. This is a group-wide effort involving inputs from all business and support units, and takes into account feedback from stakeholders. Refer to page 20 for more information on stakeholder engagement.



### Prioritise

From the list of identified matters, we **prioritise** those that most significantly impact our business and relationships with stakeholders.



### Integrate

Where relevant, material matters are **integrated** into our balanced scorecard. Please refer to page 27 for more information on our balanced scorecard.

	Material matters	What are the risks?	Where do we see the opportunities?	What are we doing about it?
Operating environment	Challenging macro-economic environment	The macroeconomic environment, characterised by lacklustre global growth, falling commodity prices and market volatility, gives rise to business and credit risks.	As regional and global competitors grapple with weaker earnings prospects and pull out of Asia, we see an opportunity to further expand in the region.	See "CEO reflections" on page 12 and "CRO statement" on page 78
	Evolving regulatory landscape	The Basel Committee continues to calibrate capital requirements, which may affect banks' existing business models.	With capital well above regulatory requirements, we are in a strong position to serve existing and new customers. We also have greater flexibility for capital and liquidity planning.	See "CRO statement" on page 78 and "Capital management and planning" on page 109
Digital transformation	Digital disruption and changing consumer behaviour	Technology and mobility are increasingly shaping consumer behaviour. Traditional banks risk losing their relevance as fintechs rise to capture market share in niche segments.	Digital disruption is also an opportunity if we successfully transform ourselves to capitalise on the shift towards digital and leapfrog the competition.	See "Customers" on page 28
	Cyber security	The prevalent threat of cyber attacks on financial institutions remains one of our top concerns.	A well-defined cyber security strategy and capability gives confidence to customers and can differentiate us.	See "CRO statement" on page 78
Responsible banking	Combating financial crime	Financial crime, including money laundering and corruption, has corrosive effects on society and gives rise to compliance and reputational risks.	By contributing to Singapore's reputation as a clean and trusted financial centre, we can uphold our reputation as the safest bank in Asia. Such a reputation can help us attract customers and investors.	
	Fair dealing	Failure to observe fair dealing guidelines gives rise to compliance and reputational risks.	Customers are more likely to do business with us if they believe that we are fair and transparent. This will lower the cost of customer acquisition and free up resources for stakeholder value creation.	See "Society and environment" on page 44
	Responsible financing	The public demands that banks lend only for appropriate corporate activities. Failure to do so gives rise to reputational and credit risks.	We see an opportunity to make a positive impact to society and the environment through our lending practices. This will in turn make us appealing to investors who are increasingly looking to invest in sustainable companies.	
People	Talent management and retention	Failure to attract and retain talent impedes succession planning and expansion into new areas such as digital.	Talented and engaged employees will enable us to be nimble and agile in responding to changes in our operating environment.	See "Employees" on page 40