

# Our strategy

## To become a leader in global finance

Over the past year, we have conducted a bottom-up review of our strategy. While there are areas we identified that we will particularly focus on in the future, such as faster tackling of low-returning risk-weighted assets (RWA) in Corporate, Commercial and Institutional Banking (CCIB), further simplifying the way we operate, and being even more aggressive in transforming our business processes and generating additional savings, we still believe our strategy is the right one. We have made good progress in the year, and are on track to deliver our objectives.

Going forward, we remain committed to achieve our ambitions by 2025:

- To be the number one Wholesale digital banking platform
- To be among the top three Affluent brands
- To double our Mass presence
- To become a market leader in Sustainability

We will continue to increase focus on:

- Four strategic priorities: Wholesale Network business, Affluent client business, Mass Retail business, and Sustainability
- Three critical enablers: People and Culture, New Ways of Working, and Innovation

We are anchoring our strategic priorities and enablers in our three Stands: Accelerating Zero, Lifting Participation and Resetting Globalisation. Throughout this section, we will highlight the linkages between our strategic priorities and our Stands.

More details on our Stands can be found on pages 24 and 25.

### Strategic priorities

#### Wholesale Network business



Through our unique network, we facilitate investment, trade and capital flows, providing a starting point in achieving our Stand of Resetting Globalisation. We have also started on our journey towards our Stand of Accelerating Zero, by focusing on Sustainable Finance.

We are one of the leading international Wholesale banks in our emerging markets footprint through:

- Taking leading positions in high-returning, high-growth sectors
- Delivering a market-leading digital platform by continuing to invest in core digital capabilities
- Driving capital-lite products while building a Sustainable Finance franchise and expanding our origination and distribution ecosystem e.g., accelerating our Financial Markets growth
- Speeding up growth in large markets while expanding in growing markets and corridors e.g., intra-Asia and East-West

##### CCIB network income

**\$4.6bn**

2020: \$4.4bn

##### Percentage of CCIB transactions digitally initiated

**51%**

2020: 41%

#### Affluent client business



We offer outstanding personalised advice and exceptional experiences for our Private, Priority and Premium Banking clients to help them grow and prosper internationally and at home. Providing access to sustainable investments is a key differentiator, supporting our Stand of Accelerating Zero.

As a leading international wealth manager in Asia across the Affluent continuum with \$250 billion AUM, we are:

- Unlocking the value of the Affluent client continuum across Asia, Africa and the Middle East, with suitable client propositions, coverage models and advisory capabilities
- Maximising the reach of our diverse network through international banking, complemented by a strong focus on developing Hong Kong and Singapore as key international wealth centres
- Continuing to grow our wealth business, which saw double digit asset growth over the last three years, with propositions anchored in investment thought leadership, an open architecture approach, personalised advice at scale and an integrated digital-hybrid experience

##### Affluent client income

**\$3.6bn**

2020: \$3.5bn

##### Affluent active clients

**2.1m**

2020: 2.0m

## Mass Retail business



We help our clients prosper and deliver everyday banking solutions by integrating our services into their digital lives.

New digital solutions, strategic partnerships and advanced analytics are instrumental to our business, enabling us to significantly increase our reach and relevance to serve clients in a meaningful way, supporting our Stand of Lifting Participation. We are:

- Transforming to a digital-first model and building enablers to be the partner of choice to leading global and regional companies
- Enhancing our value proposition and deepening our capabilities across digital sales and marketing as well as data and analytics
- Growing the share of our Mass Retail client income from new innovative business models

### Mass market active clients

**7.4m**

2020: 7.6m

### Percentage of digital sales for Retail Products

**74%**

2020: 69%

## Sustainability



In Sustainability, we continue to focus on sustainable and transition finance, supporting our Stand of Accelerating Zero. We provide access to finance, networks and training to young people, supporting our Stand of Lifting Participation of communities across our network. We support companies in improving environmental, social and governance standards, in line with our Stand of Resetting Globalisation.

Our goal is to become the world's most sustainable and responsible bank and the leading private sector catalyser of finance for the UN Sustainable Development Goals (SDGs) where it matters most – in Asia, Africa and the Middle East. We are:

- Leveraging climate risk management to support clients in managing climate risk and identifying transition opportunities, e.g., mobilise green and transition finance
- Integrating Sustainable Finance as a core component of our customer value proposition and delivering Sustainable Finance solutions
- Continuing to promote economic inclusion and to tackle inequality in our footprint through Futuremakers by Standard Chartered
- Targeting net zero carbon emissions from our operations by 2025, and from our financing by 2050

### Sustainability Aspirations achieved or on track

**82.9%**

2020: 78.4%

### Reduction in carbon footprint from previous year

**27%**

2020: 37%

## Critical enablers

### People and Culture



We are continuing to invest in our people to build future-ready skills, provide them a differentiated experience and strengthen our culture of innovation and inclusion. This includes:

- Expanding hybrid working across our footprint, with 73 per cent of colleagues across 28 markets already on hybrid working arrangements in 2021
- Embedding our refreshed approach to performance, reward and recognition that puts greater focus on outperformance through collaboration and innovation
- Increasing re-skilling and upskilling opportunities towards future roles that are aligned with the business strategy and individuals' aspirations
- Focusing on wellbeing to enhance individual resilience, productivity and performance

### Culture of inclusion score

**80.65%**

2020: 81.67%

### Women in senior roles

**30.7%**

2020: 29.5%

### New Ways of Working



We continue to be client-centric, improve our operating rhythm in organisational agility and empower our people to continuously improve the way we work. We are working on identifying ways to track derived value and enhance our speed of decision-making and delivery, as a key source of competitive advantage.

### Average time taken from approval to technology go-live

**7.6 weeks**

2020: 12.0 weeks

### Consumer' client satisfaction metric

**34.7%**

2020: 29.5%

### Innovation



We have a three-pronged innovation approach to transform the Bank, to achieve our goal of 50 per cent income from new businesses<sup>2</sup>.

- Transform our core via digitisation
- Leverage partnerships to drive scale and extend reach
- Build new business models to create value

We will also establish SC Ventures and related entities as a separate client segment in 2022, to further drive innovation differentiation and disruptive growth

### Percentage of revenue from new businesses<sup>2</sup>

**~15%**

2020: N.A.

<sup>1</sup> Excludes CCIB, private bank and business banking clients

<sup>2</sup> Income from digital initiatives, innovation and transformation of the core, the majority of which will come from new and upgraded platforms and partnerships, supplemented selectively by new business ventures