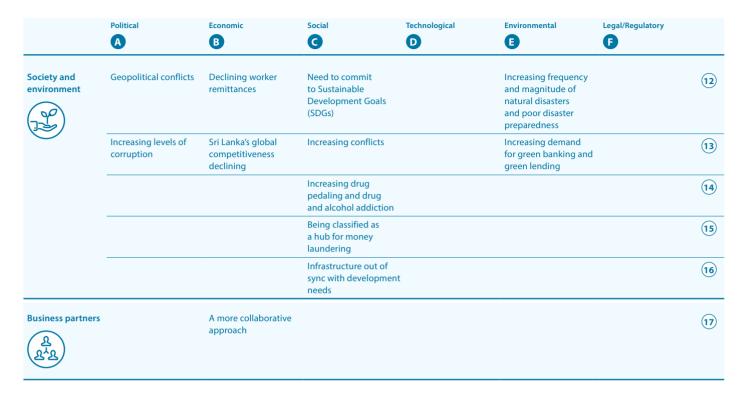
Material Matters

As a responsible corporate citizen and one that is focused on running a sustainable business, the Bank's strategy centres on creating value: Delivering value to stakeholders and, in turn, deriving value from them. Creating value responsibly means first understanding the needs of the stakeholder against the overarching trends which impact our operations.

Being relevant to stakeholders, however, means ensuring that our strategy is fit for the times. For the year under review, the Bank first analysed its external environment to identify matters arising from emerging trends and their relevance to key stakeholder groups, as given below:

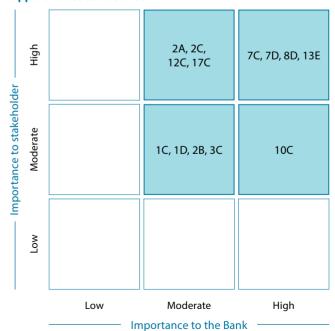
	Political A	Economic B	Social	Technological D	Environmental E	Legal/Regulatory	
Investors	Instability and lack of policy consistency	Economic slowdown	Growing influence of social media	Unorthodox competition and financial disintermediation		Implementation of SLFRS 9 – Financial instruments	1
	Directed lending	Depreciating currencies against USD	Demand for non-financial information and long termism			Basel III compliance requirements	2
		Rising borrowing costs	Demand for more transparency and accountability			Higher regulatory capital	3
		Rising tax burden					4
		Negative rating outlook for sector					5
		Huge CAPEX requirements					6
Customers		Import restrictions	Changing customer expectations	New technological advance such as cloud computing, AI, Robotics and Blockchain		Compliance requirements under FATCA	7
		Slowdown in private sector credit		Digitalisation and automation		General Data Protection Regulation (GDPR)	8
		Deteriorating asset quality		Cybersecurity threats		Compliance with Based Erosion and Profit Shifting (BEPS)	9
Employees			Need to enhance productivity	Technology driving change in job skills			10
			Staff recruitment and retention becoming more challenging				11



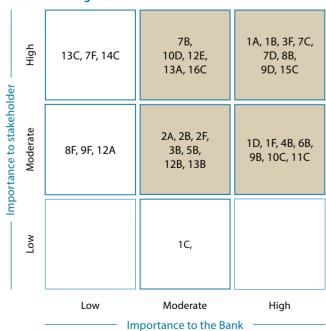
Next, the Bank mapped matters material to the Bank according to their impact on stakeholders and the Bank itself, categorising them as risks, opportunities or both, as portrayed in the matrices that follow. For the purpose of this study, the Bank defined material matters as those that significantly affect the Bank's ability to create value over the short, medium and long term. Materiality of each matter is determined by its relevance, the magnitude of its impact, and the probability of occurrence.

Matters material to the Bank — Figure – 07

Opportunities to be seized



Risks to be mitigated



Following this study, the Bank identified four strategic imperatives, and the strategies necessary to seize opportunities, mitigate risks and continue its value creation journey, as outlined in the section on Management Discussion and Analysis on pages 36 to 73________

Management approach

The Bank manages its material topics through its strategic planning process by assigning responsibility to the heads of the relevant divisions of the Bank, allocating necessary resources based on the significance of each material topic towards achieving the aforesaid strategic imperatives. Goals and targets, where relevant are embedded into the KPIs of the Key Management Personnel to ensure that the organisation achieve its objectives with regard to its material topics and are reviewed at regular intervals.

Many policies are in place guiding its people to conduct activities in a responsible, transparent, and ethical manner in managing the material topics. These policies are duly adopted by the Board of Directors and are reviewed at predetermined intervals to stay current with the changing environment.

Where relevant grievance mechanisms are in place with assigned responsibility to the relevant divisional heads to manage, address and resolve grievances.

Screening is carried out into the social and environmental aspects of the Bank's lending to its customers and dealings with its business partners.

Internal and external auditing and verifications are carried out to ensure that the internal controls, policies and procedures laid down to achieve the objectives of material topics are adhered to. Findings are reported to the Board of Directors and/or to the Management Committees on a regular basis for corrective action where necessary.

External ratings (refer page 117) and awards and accolades (refer page 71) bear testimony to the success of the Bank's approach in managing its affairs.

While majority of material matters affect the Bank's economic performance (GRI 201: Economic Performance) following are matters identified by the Bank as material where GRI disclosures are made within this report.

Table – 04 Reference Material matter Cybersecurity threats GRI 418: Customer Privacy 420 15C GRI 404: Training and Education Need to enhance productivity 67 GRI 405: Diversity and Equal Opportunity 68 15D Technology driving change GRI 404: Training and Education 67 in job skills GRI 405: Diversity and Equal Opportunity 68 16C Staff recruitment and retention GRI 401: Employment 67 become more challenging 17E Increasing frequency and 70 GRI 302: Energy magnitude of natural GRI 305: Emissions 70 disasters and poor disaster preparedness 20C Being classified as a hub for GRI 205: Anti-corruption 40 money laundering 21C 46 Infrastructure out of sync with GRI 203: Indirect Economic Impact development needs