Material matters

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

Identify

matters that may impact the execution of our strategy. This is a group-wide effort considering input from all business and support units, and incorporating feedback from stakeholders.

Read more about our stakeholder engagement on pages 80 and 81.

Prioritise

matters that most significantly impact our ability to successfully execute our strategy in delivering long-term value and influencing the decisions of key stakeholders.

Integrate

matters that are material to value creation into our balanced scorecard to set objectives, drive behaviours, measure performance and determine the remuneration of our people.

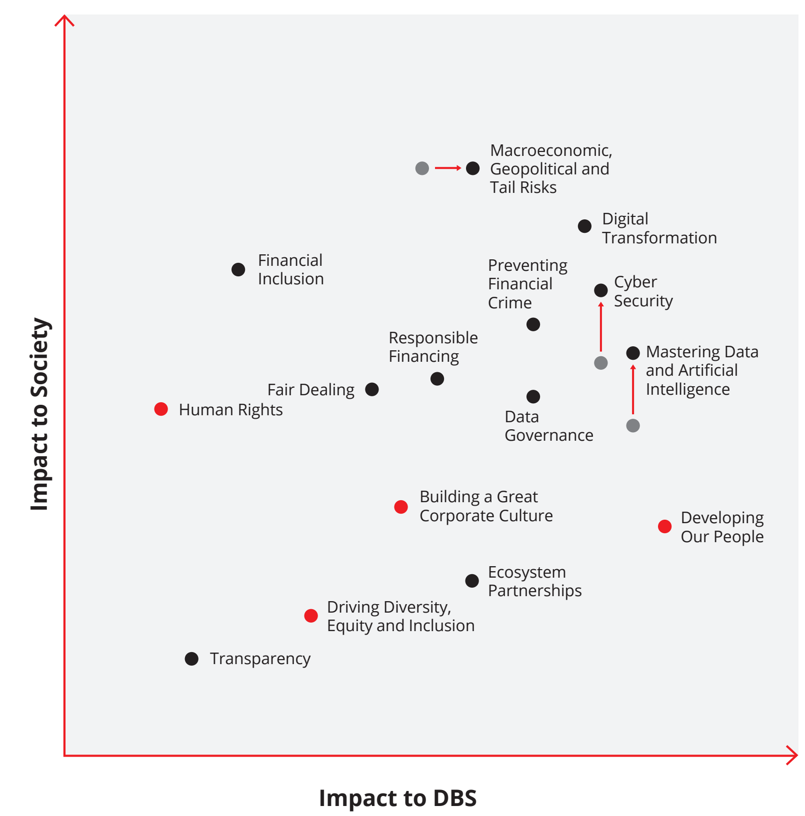
Read more about our balanced scorecard approach under "Our 2022 priorities" on pages 26 to 31.

In 2022, we reviewed the findings of our last formal materiality assessment, which had been completed in the prior year. We also conducted a new analysis, which included desktop research of external trends, data analysis, and regular dialogues with our key stakeholders through various platforms and feedback channels to gain new insights and identify matters of key relevance to them.

It was concluded that last year's outcome of the materiality assessment remained broadly in line. However, based on various engagements with our key stakeholder groups, we included "Human Rights" as a new material matter to better reflect how we uphold the responsibility to respecting human rights in everything we do. Additionally, we made a clearer distinction across "Building a Great Corporate Culture", "Developing Our People" and "Driving Diversity, Equity and Inclusion", as we view these matters to be of increasing importance. Our refined approach responds to the changing needs of our stakeholders and the increasing importance of responsible business practices.

Read more about material ESG matters in our Sustainability Report.

DBS 2022 Materiality Matrix



Material matters	What are the risks?	Where do we see the opportunities?	What are we doing about it?
Macroeconomic, geopolitical and tail risks	High inflationary environment driven by energy and food prices, and supply chain disruptions have driven central banks to hike interest rates at an unprecedented pace, creating headwinds to economic growth. In addition, we continued to face a difficult geopolitical situation, with tensions remaining elevated between the superpowers.	Higher interest rates will benefit banks at an early stage of the economic cycle, especially as long as credit costs and losses remain under control. Investments and consumption have picked up in Asia after two years of economic uncertainty due to the pandemic, especially due to the reopening of China via trade and tourism.	Our broad-based franchise and nimble execution enabled us to capture regional opportunities despite the macroeconomic uncertainty and financial market volatility. Our income was also boosted by a higher net interest margin. We took another step in scaling up our presence in growth markets with our acquisition of the Citi consumer banking business in Taiwan. ***Read more in the "Letter from Chairman and CEO" on page 8 and in the "CFO statement" on page 20***
Digital transformation	A new wave of operational and systemic risks may be created as digital banking transformation programmes become more deeply embedded in the banking industry, all the while as customers and industry players become increasingly digitally savvy. The challenges are compounded against a backdrop of higher workforce attrition and labour shortages in the tech space.	Banks that are able to consistently deliver differentiated technological innovations with robust, reliable and resilient systems will provide a more seamless and secure user experience and gain customer confidence and a competitive advantage. Attracting, developing and retaining tech talents will ensure the vitality of the driving force behind our transformation to be a leader in digital banking.	We are developing and scaling robust systems through Site Reliability Engineering (SRE). We also strengthened our cybersecurity capabilities to address a larger attack surface and potential gaps in work processes as companies scale their remote working arrangements and support hybrid working. We also made efforts to diversify and upskill our tech workforce while maintaining continuity within technology teams. As we balance resilience and innovation, we will keep experimenting with emerging technologies that could revolutionise banking and give us a first-mover's advantage as use cases become clear. ***Read more in the "CIO statement" on page 34, and "Our 2022 priorities" on page 26***
Mastering data and artificial intelligence (AI)	As banks rise to the challenge of meeting consumer demand for banking experiences that are intuitive, they will need to re-architect legacy technology and their data stack. The ethics of using AI algorithms is also coming under strict scrutiny, especially in the areas of accountability, transparency, and data bias. Inability to manage both the transition and ethical issues, as well as leverage benefits from AI technologies will result in a loss of trust, competitiveness and market share.	Unlocking the value of data in our business operating model will help drive greater economic value through: (i) delivering tailored customer experiences and employee journeys; (ii) developing greater operational efficiencies and lowering costs through higher automation; (iii) accelerating deployments by improving operations and decision-making; and (iv) adopting emerging technologies to create new products/ services through rapid innovations.	As an AI-fuelled bank, we have made AI central to our core strategy, and incorporated AI technologies into our management and operation processes. To build trust through fair, ethical and responsible use of data and AI, we continually enhance our DBS PURE (Purposeful, Unsurprising, Respectful, Explainable) framework and AI governance processes and controls. Industrialising AI throughout the bank has enabled us to power differentiated customer experiences and achieve hyper-personalised services for customers. ***Read more in "CIO statement" on pages 34.***
Data governance	Rapid digitisation has intensified data collection and analytics, which are used to drive new business initiatives. This has led to greater demands for enhanced standards of data protection and privacy. A weak data governance framework for data capturing, data quality, and data use will increase the risk of non-compliance, financial losses, regulatory fines, and reputational damage.	Strong data governance programmes will deliver faster and sharper insights for decision-making, and enhance risk and fraud management to deliver positive business outcomes as we scale the use of data and analytics across the bank. As we place privacy at the heart of our products and services design, we uphold the trust of our customers and deepen our relationship with them.	***Read more in the "CRO statement" on page 32 and "Data Governance" in the Sustainability Report.***
Human rights	Insufficient integration of human rights principles and human rights due diligence in our business operations may expose us to unintended and unforeseen legal, financial, and reputational risks.	Respecting human rights in everything we do reaffirms the critical role we play to positively contribute to society as a bank and as an employer. By integrating human rights related policies and procedures in our lending and business operations, we promote economic inclusion and empower marginalised communities, allowing us to tap into new markets and create new business opportunities.	We established a Human Rights policy to formalise our consistent efforts to respect human rights, which among others stipulates a strong commitment to the United Nations' Guiding Principles on Business and Human Rights ***Read more in "Human Rights" in the Sustainability Report.***
Building a great corporate culture	The pandemic has permanently changed the way we live, learn and work and raised awareness of the importance of mental well-being for our people. Companies that are unable to adapt their work practices and pay greater attention to employee well-being will face challenges in engaging and retaining their talent.	Redesigning the workplace and building the right behaviours empower employees to thrive and drive more impactful customer outcomes. A strong corporate culture which is open, collaborative, and with a focus on employees' holistic wellbeing will help organisations attract and retain the best talent and drive business performance.	***Read more in "Building a Great Corporate Culture" in the Sustainability Report.***
Driving diversity, equity & inclusion (DEI)	Being an organisation that operates in 19 different markets, failure to embrace diversity, equity and inclusion will run us the risk of not being effective in the communities that we operate in. It also affects our global brand and ability to retain diverse talent to drive our businesses.	Fostering an inclusive culture attracts and retains the best talent for our workforce. Strong, diverse teams are critical in enabling innovation, objective decision-making and robust problem-solving.	***Read more in "Driving Diversity, Equity and Inclusion" in the Sustainability Report.***

Material matters	What are the risks?	Where do we see the opportunities?	What are we doing about it?
Developing our people	We will continue to see jobs being disrupted in the post pandemic world. Companies need to invest in upskilling and reskilling of their employees so as to be well-equipped in capturing and realising new growth areas for the business.	Companies that actively equip their employees with the right education, skills and opportunities will benefit from a future-ready workforce that can embrace and thrive with new ways of working.	***Read more in "Developing Our People" in the Sustainability Report.***
Ecosystem partnerships	The acceleration of digital adoption is changing the way consumers and corporates behave, with increasing consumer engagement on digital platforms and businesses moving into direct-to-consumer models. The role of financial institutions as intermediaries is evolving as emerging technologies change the ways market participants interact. As a result, financial services revenue pools are being disrupted and redistributed to new challengers.	Our data insights, digital capabilities and strength in innovation enable us to disrupt the existing financial markets and orchestrate ecosystems, which allow our partners and customers to engage and transact seamlessly on our platforms. Additionally, with an extensive suite of application programming interfaces (APIs), DBS is well positioned to embed our services on our partners' platforms to acquire and distribute at scale.	We are scaling existing and building new ecosystem partnerships to extend our reach, create a differentiated customer experience and avail our services to customers in the right context. We are investing in blockchain and AI technologies to develop commercial applications for our banking businesses and to reimagine financial market infrastructure ecosystems. ***Read more in "Our 2022 Priorities" on page 26.***
Responsible financing	Insufficient integration of environmental, social and governance (ESG) considerations into our business operations would expose the bank to various emerging risks such as climate-related physical and transition risks. It would also increase the probability of missing new business opportunities, such as those related to the investment and financing needs of our clients arising from their transition to lower carbon lifestyles or business models.	The investment needs to transition our economies to a net-zero future are very significant. As estimated by the Intergovernmental Panel on Climate Change in 2021, this investment would amount to an additional USD 3.5 trillion annually. This provides an opportunity to support clients with advisory services and financing solutions.	We committed to aligning our lending and financing activities with net-zero by 2050. Additionally, we established science-informed decarbonisation strategies and set 2030 decarbonisation targets for a large number of sectors. To date, this is among the most comprehensive and ambitious sets of decarbonisation targets among banks globally. We seek to leverage this work in our client interactions in order to support them in their transition. We also incorporated environmental risks into our Risk Appetite statement and our overall risk governance and processes. ***Read more in "Responsible Financing" in the Sustainability Report.***
Financial inclusion	Global macroeconomic headwinds such as high inflation and interest rates as well as high food and energy costs have widened the income and social inequity gap, further marginalising parts of society, which makes it harder for them to access formal banking services. A widening income gap can further weaken societal cohesion and undermine prospects for an inclusive and just transition.	Technology is making banking more inclusive and levelling the playing field for small businesses, while scaling up essential financial services and digital literacy to help communities achieve financial health and well-being.	We continue democratising wealth by creating an enabling environment for the underbanked and addressing the financing gap for small local businesses. ***Read more about "Consumer Banking/ Wealth Management" on page 38 and "Financial Inclusion" in the Sustainability Report.***
Preventing financial crime	Geopolitical developments have complicated issues of compliance and integrity in financial practices, such as sanctions and sanction evasion. The rapid emergence of digital assets also increases the risks of money laundering and sanction evasion.	A strong governance framework and comprehensive data analytics and systems capability prevents financial crimes and protects our customers.	***Read more in the "CRO statement" on page 32 and "Preventing Financial Crime" in the Sustainability Report.***
Cyber security	The cyber risk landscape has worsened as cyber criminals and threat actors exploit a fractious environment instigated by heightened geopolitical tensions, to target our customers and staff with increasingly sophisticated attacks.	A robust cyber security strategy and governance builds confidence and differentiates us in an increasingly digital space.	***Read more in "CRO statement" on page 32 and "Cyber Security" in the Sustainability Report.***
Fair dealing	Customers expect us to put their interests first by providing relevant and accurate information, and appropriate recommendations in conducting our business.	Fair dealing is foundational to our business, and we believe customers are more likely to bank with us when they trust that we are fair and transparent.	***Read more about "Fair Dealing" in the Sustainability Report.***
Transparency	Transparency in disclosure promotes good governance, builds trust and drives better decision-making. Failure to adequately disclose may give rise to regulatory and reputational risks, and cause us to not meet external expectations.	Greater transparency builds trust with customers, which helps grow our wallet share. It will also improve the speed of dispute resolution with customers and protect the reputation of the bank.	***Read more about "Corporate governance" on page 42.***