

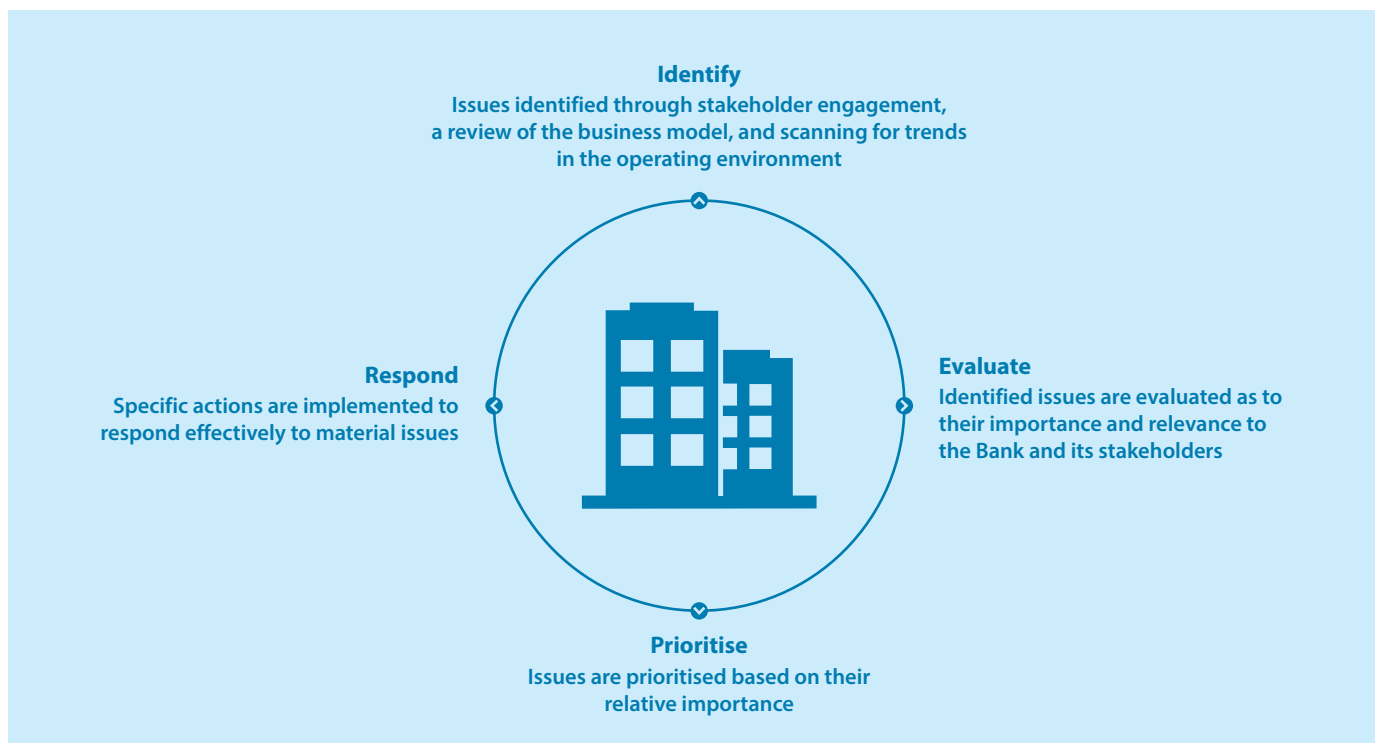
Materiality

Achieving our goals and remaining poised to capitalise on what opportunities and risks the future may bring shapes our strategy for growth today. With the fast-paced manner in which our operating environment keeps changing our ability to devise a strategy that is future focused becomes ever more critically important. Our value creation strategy continues to focus on delivering value to all our stakeholders just as we, in turn, derive value from them.

This Integrated Annual Report comprises a discussion around issues and considerations that could have the most impact on the Bank's ability to create value and those that are most critical to SDB bank and its stakeholders.

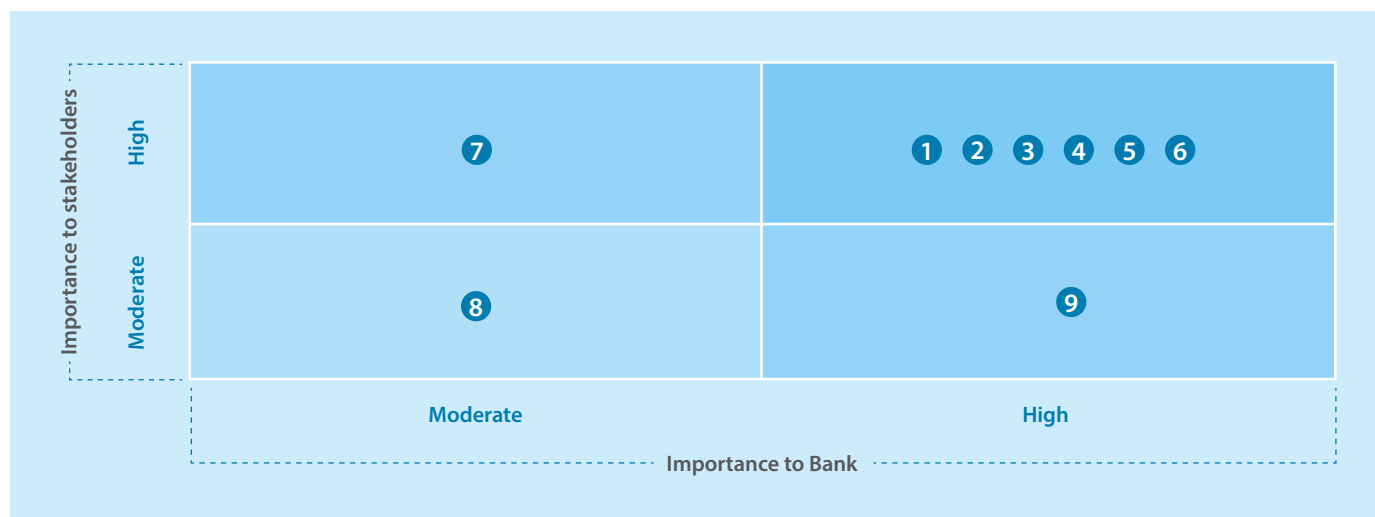
The topics were identified by the Management of the Bank and have been ratified by the Chief Executive Officer. These topics are reviewed continuously to assess their relevance and materiality.

The Bank's process for determining material content is an ongoing cycle as shown below:



With the aim of widening the scope of its materiality analysis beyond the topics proposed by the GRI guidelines, every year, the Bank seeks to include topics that are relevant to the banking industry, the Bank's value creation model and the operating landscape.

The sensitivity analysis depicted in the table below illustrates the relevance and relative importance of the topics selected both to the Bank and to its stakeholders.



Material topic	Corresponding GRI topic	Why is it material and topic boundary
1 Earnings growth and profitability	Economic performance	Achieving sustainable growth in earnings is vital to drive shareholder value. The topic boundary is primarily internal, however, the Bank's growth and profitability have a direct impact on its other external stakeholders
2 Efficient processes		Improving the efficiency of processes is essential to achieving sustainable profitability and enhancing customer experience. While the effort is internal, the impact of this topic is both internal and external
3 Customer Service		Enhancing customer experience and contributing to building a loyal customer base. The topic boundary is both internal and external
4 Inclusive lending	Indirect economic impact	Meeting one of the Bank's founding objectives and contributes towards poverty alleviation. The impact of this topic is external and affects the customers and communities the Bank operates in
5 Employee value proposition	Employment diversity and equal opportunity	Employees are integral to achieving the Bank's strategic objectives. Retention of employees is crucial to long term value creation. The topic boundary is internal
6 Employee skills development	Training and education	"Quantum Leap" is the programme designed to develop skills required to drive the Bank's transformation agenda. Changing attitudes and nurturing a performance driven culture through skills development is a priority for the Bank. The boundary of the topic is internal
7 Responsible lending	Customer privacy, marketing and labelling	As a responsible corporate citizen, the Bank is committed to lending practices which are fair and responsible. This is considered vital to the sustainable creation of shared value. The topic boundary is external and extends to the Bank's customers
8 Preserving the environment	Raw materials, Energy, Water, Effluents and Waste emissions	As a financial services provider, the Bank's impact on the external environment is limited. However, it is the policy of the Bank to use natural resources efficiently and minimise its environmental footprint. The topic boundary is internal and external
9 Corporate Social Responsibility	Local communities	An important aspect of value creation by the Bank is its contribution to the well being and socio-economic progress of the communities it interacts with. The topic boundary is external