How we distribute value created

We distribute value to our stakeholders in several ways. Some manifest themselves in financial value while others bring about intangible benefits.

We define distributable financial value as net profit before discretionary bonus, taxes (direct and indirect) and community investments. In 2017, the distributable financial value amounted to SGD 5.92 billion (2016: SGD 5.80 billion).

In addition, we distribute non-financial value to our stakeholders in the following ways.

- **Shareholders**
  - Dividends paid to ordinary and preference shareholders and perpetual capital securities holders
  - 28%

- **Retained earnings**
  - Retained for reinvestment in our resources and businesses for growth which over time benefits all our stakeholders
  - 48%

- **Employees**
  - Discretionary bonus paid to employees through variable cash bonus and long-term incentives
  - 11%

- **Customers**
  - Delivering suitable products in an innovative, easily accessible and responsible way.
  - 28%

- **Society**
  - Contributions to society through direct and indirect taxes, and community investments including donations, in-kind contributions and associated management costs
  - 13%

- **Regulators**
  - Active engagement with local and global regulators and policy makers on reforms and new initiatives that help to maintain the integrity of the banking industry.
  - 11%

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.

Material environmental and social matters are denoted with the symbols 🌍 and 🌱 respectively, and are further discussed in “Sustainability” on page 97. Governance matters are discussed in “Corporate Governance” on page 48.

### DBS Materiality Matrix

- **Digital disruption and changing consumer behaviour**
- **Cyber security**
- **Financial crime**
- **Financial inclusion**
- **Climate change**
- **Evolving regulatory landscape**
- **Responsible tax management**
- **Managing our environmental footprint**
- **Responsible financing**
- **Financial inclusion**
- **Talent management and retention**
- **Fair dealing**
- **Diversity and equal opportunity**
- **Sustainable procurement**
- **Workplace well-being**
- **Macroeconomic and demographic trends**
- **Managing our environmental footprint**
- **Corporate Governance**

**Identify**
- We identify matters that may impact the execution of our strategy. This is a group-wide effort taking into account input from all business and support units, and incorporating feedback from stakeholders.

**Prioritise**
- From the list of identified matters, we prioritise those that most significantly impact our ability to successfully execute our strategy and deliver long-term value to our stakeholders.

**Integrate**
- Those matters that are material to value creation are integrated into our balanced scorecard, which is used to set objectives, drive behaviours, measure performance and determine the remuneration of our people. Important matters are managed as part of our business and operational processes.