

# Strategic Direction

## Accomplishments of the Year 2016

### Increasing Market Share in all

#### Key Business Segments

- Corporate Banking portfolio expanded by 14%
- Branch Banking portfolio recorded an increase of 19.5%
- Business Banking portfolio recorded a growth of 12%
- Retail Assets Portfolio, including finance leases recorded a growth of 12.3%
- Recorded lowest NPL ratio in the recent past of 2.97%
- Developed a comprehensive SME Strategy incorporating rural banking and small enterprise sectors
- Diversified the Corporate Banking portfolio by penetrating more segments
- Extended Premier Banking services
- Expanded the branch network

### Cost Efficiency Funding

- Increased the customer deposit base YoY by 27%
- CASA improved to LKR 28,447 million as at 31 December 2016, recording a CASA ratio of 20%
- Developed innovative new products i.e. Vardhana Xtreme Saver, Vardhana Salary Booster
- Raised LKR five billion and LKR seven billion through two listed debenture issues
- Segmented customers effectively with greater emphasis on minors, pensioners and high net-worth (HNW) clients
- Increased the sales force to drive liability products
- Formed the Payments and Cash Management unit to promote CASA and Other Income

### Diversifying Income Streams

- Attracted new trade business clients and increased utilisation of trade facilities
- Introduced the Vardhana Virtual Wallet
- Increased fee and commission income YoY by 13%
- Recorded income from Bancassurance was LKR 49.8 million
- Cross-sold fee-based products to existing clients
- Explored opportunities in investment advisory and treasury management services
- Offered tailor-made treasury products to selected corporate clients

### Improving Employee Satisfaction

- Continued to ensure productivity amidst rapid growth and diversification of business by engaging in career development, rotations, transfers etc. in a timely manner
- Engaged with 'Great Place To Work' with the objective of building a sustainable integrated culture
- Maintained the staff attrition rate below 8% during the period (excluding retirements/contract expiries)
- Continued to invest in growth of staff by developing training plans based on job specific training schedules and individual development plans
- Successfully aligned talent profiles to job roles
- Reviewed Branch Banking functions and engaged in effective capacity planning and utilisation of resources

### Improving Brand and Product Awareness

- Maintained brand presence throughout the year, engaging in mass media communications, market activations and revamping appearance of branches
- Established a clear Bank-wide understanding of customer expectations and the level of service delivery required
- Increased awareness on SME products and services offered by the Bank
- Participated in Education Fairs as banking partner and worked with selected educational institutions
- Engaged in sponsorships such as the World Export Development Forum, Economic Forum, Journalism Awards for Excellence and Global Shapers Conference as Exclusive Banking Partner
- Increased customer interaction and engagement on the Bank's website and social media channels

## Key Focus Areas for 2017



### **Consumer Banking**

- Effective customer segmentation
- Deploy foot soldiers for personal selling
- Identify and introduce new product offerings and value additions
- Structure consumer banking at a branch level
- Implement an effective channel strategy
- Establish a strong presence through marketing and advertising
- Introduce the Premier proposition at selected branches
- Broad base retail banking customers
- Partner with local property developers for promotion of housing loans



### **Digital Strategy**

Introduction of:

- Credit card system
- New work flow management system
- Payments and cash management solution
- Comprehensive treasury management system
- eStatements
- Enterprise alert platform
- Business intelligence tool



### **Small Enterprise Strategy**

- Cluster leaders and field officers to promote small enterprise financing
- Centralise the loan approval process to enhance effectiveness of appraisals, documentation and disbursement
- Organise capacity building workshops in the North Western, Central and Western Provinces
- Introduce marketing campaigns to create awareness among the rural and semiurban business communities
- Capitalise on new *Swashakthi* line of credit for Micro, Small and Medium Enterprises