

Strategic Direction

The Bank's business model revolves around financial intermediation and maturity transformation. It is designed to ensure that we are geared to make the most of future opportunities while mitigating risks. Financial intermediation necessitates and allows the Bank to operate with higher business volumes in comparison with the available capital. The underlying gearing and maturity transformation expose the Bank to various risks such as credit, market, and operational in addition to global, local, and industry trends. We have deployed a robust risk management framework to manage all such risks underlying our business model.

Our strategic direction provides focus and structure for internal responsibilities. It also gives employees a common purpose towards which to drive their activities.

Aligning with the Sustainable Development Goals

As a responsible corporate citizen with a strong rural presence in Sri Lanka we are able to leverage our strategic direction and core operations towards the socio-economic progress of the communities within which we operate. By aligning them in this manner, we also contribute towards the UN Sustainable Development Goals (SDGs). (For more information on activities conducted during the year under review refer The Commitment to Society and Environment on pages 69 and 70.)

By steering the business in alignment with our transformation agenda and the SDGs, we are better able to meet our development mission sustainably while lessening our impact on the environment.

SDG 2 – Zero hunger



We continued to focus on the under-banked and unbanked segments in the agriculture sector, supporting value chains and partnering to offer our customers improved opportunities to further their enterprises.

SDG 4 – Quality education



Our ongoing CSR initiative, SDB *Lakdaru* Scholarship Seminars, has provided academic support for children in rural communities preparing to take the Grade 5 scholarship examinations. During the reporting year, 11 programmes were carried out in Sinhala and Tamil throughout the country with the participation of 4,445 students.

SDG 5 – Gender equality and women empowerment



Empowering women in a bid to bridge the gender gap is a key aspect of our transformation agenda. "SDB *Uththamavi*" is an investment and lending product that provides women entrepreneurs with attractive rates. During the reporting year bank gave financial support for entrepreneurial activities of women. SDB is an equal opportunity employer with females comprising 48% of the total permanent workforce.

SDG 7 – Affordable and clean energy



While we focus on improving financial literacy and financial inclusion to those who are excluded from mainstream financial services we also encourage them to opt for clean forms of energy. We do so by making such options more affordable and attractive to them through our green leasing products.

Transformation agenda

Our 2017-2020 transformation agenda consists of the following key strategies:

Key strategies

Rebalancing the Bank's advances portfolio to give equal emphasis to the SME, co-operative sectors and retail segments

Guiding the Bank back to its founding purpose by focusing and strengthening its activities in development financing

Equipping employees with skills required to propel the Bank's transformation agenda

Improving process efficiencies by centralising all credit approvals and introducing a Loan Originating System to improve loan turn around times and ensure the consistent application of the Bank's credit policy

Strengthening SDB bank's digital proposition with the development of the mobile banking application and digital payment platforms

Embedding sustainability considerations into its lending proposition

Developing a non-financial strategy aimed at enhancing financial literacy, customer education, and the empowerment of women

SDG 8 – Economic growth



By contributing towards economic growth we also indirectly contribute towards meeting the SDGs of zero hunger and alleviating poverty. This is made possible through our close association with the rural sector and their activities in investment and lending in the micro-economic segment of the market.

SDG 10 – Reduced inequality



We contribute to this Goal by lending to co-operative societies whose role is to serve the country's grassroots communities. We also actively participate in distributing Government funds, at concessionary rates, as a way of contributing towards rural development and poverty alleviation.

SDG 12 – Sustainable consumption and production



We are committed to consumption practices that contribute towards reducing, recycling, and reusing resources. This has cut costs in and usage of paper, fuel, and energy. Through these initiatives we have also been able to reduce electronic waste.

SDG 15 – Life on land



Our contributions towards protecting, restoring and promoting sustainable use of terrestrial ecosystems, halting and reversing land degradation, and halting bio diversity loss has included the planting of trees and the cleaning up of litter.