

# The Strength of the Institution

Our institutional capital spans a range of tangible and intangible elements that we use in the course of business. These include organisational knowledge, corporate culture and values, business ethics and integrity, and systems and processes. As a development bank SDB bank must operate impartially and without political influence to address gaps in the market – especially in areas where the private sector is absent. Our institutional capital becomes invaluable in meeting this mandate. It defines who we are and how we operate.

SDB bank's strength also lies in the synergies it derives from the SANASA Federation. As indicated on page 30, this ecosystem allows us to capitalise on the strengths of our sister companies in helping grassroots communities to improve their livelihoods and lifestyles.

## Organisational knowledge

Over the past 100 years our focus has remained unwaveringly on creating an ecosystem that uplifts lives – using the people's money for the people. Our incorporation in 1997, witnessed the Bank adopting more stringent ethical standards in the conduct of its business internally and in dealing with customers, other stakeholders, and the banking industry which has resulted in a trove of organisational and industry knowledge. It is this knowledge that has allowed us to tailor products and services that are ideally suited to our key customer groups – retail, SME and co-operatives.

Our comprehensive 2017-2020 Strategic Plan epitomises our organisational knowledge. Supported by organisational realignment it has transformed SDB bank into Sri Lanka's apex co-operative Bank with the aim of achieving commercial banking status in the medium term.

## Corporate culture and values

To fulfil our mandate of objectively and impartially empowering people in grassroots communities we have carefully cultivated an enabling corporate culture. Our values are the building blocks of the SDB bank culture. Integrity is paramount as we demand – and receive – the highest ethical standards of all employees at every level. This is vital as we focus on being inclusive – careful not to discriminate based on any parameter such as ethnicity, religion, gender, language, social status or age. To ensure that our customers receive the best solutions for the many issues that they face in trying to improve their prospects we have also created a culture where innovation is encouraged and nurtured.

Our culture and values are embedded in every aspect of its operations.

## Business ethics and integrity

At SDB bank we back up corporate culture and values with a robust governance framework which encapsulates the Bank's policies. The framework ensures that the Bank is in compliance with all regulatory and statutory requirements. All employees are made aware of all Bank policies as the latter set the tone for employee behaviour and practice.

Partnerships with international investors such as SBI FMO Emerging Asia Financial Sector Fund Pte., Ltd., International Finance Corporation and Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO), Stichting Fondsbeheer DGGF Lokaal MKB duly represented by Triple Jump B.V. and Belgian Investment Company for Developing Countries NV/SA-BIO confirm SDB bank's sound record of good governance and the trust that the international investor community has placed in the Bank.

## Systems and processes

During the year under review we initiated a range of internal process improvements which focused on preparing employees for the launch of a range of digital products and services. This study resulted in increased efficiency and productivity especially in our administrative operations. With our internal customers taking the lead in migrating completely to digital banking, we encouraged a number of employees to switch to mobile and internet banking where feasible.

Innovation goes hand in hand with development at SDB bank. The recently introduced information dashboard provides real time data for the Bank's Management and branch employees enabling improved information management. This means that our Management and branch employees are able to make informed decisions at all times.