

Strategic Direction

Goal	Performance Highlights 2015	Future Strategies
Increasing market share in all key business segments	<ul style="list-style-type: none"> → Corporate Banking portfolio expanded to 49,039 million → Branch Banking portfolio recorded an increase of 23% → Business Banking portfolio recorded a growth of 25% → Personal Banking including finance leases recorded a growth of 37% → Took part in a syndicated loan facility → Successful in off-shore asset financing → Optimised cross-selling by structuring the facilities for customer requirements → Set in place a cross functional structure encompassing all related functions to enhance the cross departmental processes → Revised exposure limits in line with emerging trends and developments and maintained NPL ratio at 3.7% → Carried out sector focused marketing campaigns by regions → Diversified personal banking with more products and new features → Improved positive customer experience through benchmarked standards → Developed a comprehensive 'SME strategy' incorporating the rural banking and micro financing sectors 	<ul style="list-style-type: none"> → Increase awareness levels of the corporate brand – enhance the brand through the use of personal relationships → Cross-sell the Group products and services → Organise regular relationship building events for top management and selected groups → Expand international operations and consultancy services → Regular entertainment of corporate clients: sponsorships, special events, etc. → Extension of premier banking services to selected high net worth branch banking customers → Corporate Banking: Focus on low margins and high volume strategy resulting in reduction in cost-per-delivery → Business Banking: Focus on medium margin and medium volume strategy to fit into risk return → Branch Banking: Aggressive pricing for acquiring new relationships and continue to focus on SMEs → Take anticipatory and preventive actions to maintain portfolio quality
Cost efficient funding	<ul style="list-style-type: none"> → Increased customer deposit base by LKR 19,108 million → CASA improved to LKR 21 million as at 31 December 2015 from LKR 18 million as at 31 March 2015 → Raised LKR Five billion through a listed debenture issue → EIB, SME and Green Energy credit line of LKR 5,679 million as long-term funding lines 	<ul style="list-style-type: none"> → Negotiate for additional credit lines from FMO, EIB, DEG, ADB etc. → Improve the CASA ratio

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Diversify income streams	<ul style="list-style-type: none"> → Invested LKR Two billion during the period in listed debentures → LKR 20,777 million fee income from credit line management operations → USD 94,050 as consultancy income from international operations → Fee and commission income improved by 2% mainly through trade and remittance business 	<ul style="list-style-type: none"> → Invest in listed shares (increase trading portfolio) → Invest in listed debentures and unit trusts → Explore opportunities for off-shore operations → Promote insurance (bancassurance) products for new and existing customers → Create customer awareness on 'Lanka Money Transfer' remittance business → Increase utilisation of existing limits in trade businesses
Improving employee satisfaction index	<ul style="list-style-type: none"> → Continued with initiatives on career development, rotations, rewards and recognition, transfers etc. → Maintained the staff attrition ratio below 8% during the period (excluding retirements/ contract expiries) → Organised quarterly meetings with department heads to share HR information and discuss issues → Developed training plans based on grade/ job specific training schedules and individual development plans → Formulated and disseminated training calendars to staff → Identified potential successors for critical positions and initiated development measures as appropriate → The HR teams visited 70% of the branch network during the period to meet the branch staff and discuss their issues and concerns 	<ul style="list-style-type: none"> → Continue to improve employee communications, transparency of processes and methods of addressing employee needs → Continue job rotation between support and front line staff at common branches → Re-skilling support staff → Continue the talent management process using the Nine Box model → Implement a resourcing strategy for sales staff → Review promotions framework – more focus on performance/competencies than qualifications, study industry practices → Develop leadership development programmes for senior and middle management
Improve business promotion and customer loyalty	<ul style="list-style-type: none"> → Carried out marketing campaigns during the period → Continued customer training programmes → Sponsored a seminar on Export & Import Procedure conducted by the Ceylon Chamber of Commerce and other similar programmes → Organised customer events for key branches → Introduced customer survey forms at branches 	<ul style="list-style-type: none"> → Structure marketing campaigns – Street campaigns, Pocket meetings, CSR projects by branch etc. → Arrange continuous awareness programmes through print media → Focus more on business and customer orientation to capture more business → Continue customer training programmes → Diversify the customer base through relationship building