

STAKEHOLDERS

OUR STAKEHOLDERS ARE THE PARTNERS OF OUR SUCCESS, FOR WHOSE WELL-BEING, WE ARE COMMITTED!

Stakeholder Engagement

Our stakeholders are entities or individuals who are expected to be significantly affected by the Bank's activities, products, and services; and whose actions may be expected to affect the ability of the Bank to successfully implement its strategies and achieve its objectives.

In this context, our primary stakeholders are investors, customers, employees, suppliers, society and environment in which we operate as well as regulators and Government Authorities.

In the tables that follow we provide insights on the nature and quality of the Bank's relationships with its key stakeholders, the extent to which the Bank understands, takes into account and responds to their legitimate needs and interests followed by highlights of key initiatives rolled out during the year.

Investors

In the context of investor relations, our target stakeholders encompass a wide group of present shareholders, potential investors, investment/research analysts, stock brokers, fund managers, multilateral donor agencies, rating institutions, media and the like.

Strategic Objectives

To attract and maintain a best in class relationship with investors, and to deliver superior and sustainable value to our shareholders.

Method of Engagement	Frequency of Engagement	Key Topics and Concerns Raised	How the Bank Responded to Such Topics and Concerns
Annual Report	Annually	Macroeconomic and political developments and their impact on the performance of the Bank.	We are open to investors and their requests for periodic meetings and reviews. We maintain a high level of accessibility to the Senior Management of the Bank in investor relations. Investor engagements are always hosted by the Chief Executive Officer, the Group Chief Financial Officer or the Vice-President – Finance & Planning.
Annual General Meeting	Annually	Financial performance of the Bank and the Group.	
SMS alert to investors on the release of the Annual Report, along with a short video brief from the CEO	Annually	Business overview, business strategy and challenges.	
Interim Financial Statements	Quarterly	Business growth targets and sources of growth.	
Press release on financial performance	Quarterly	The Bank's expectations and estimations about the behaviour of key economic indicators such as interest rates, exchange rates, etc.	
Investor presentations on financial performance	Quarterly	Asset quality of the Bank.	
Email notifications on quarterly result releases	Quarterly	Operational strategy of the Bank and operational efficiencies.	
Investor fora/investor webinars	Quarterly	Strategic focus and the activities carried out by Group companies.	
One to one investor meetings	As and when required	The Bank's openness to and opportunities in inorganic growth.	
Extraordinary General Meeting	As and when required	Governance and risk management framework.	
Participation in international investor fora	As and when required		
Earnings calls	As and when required		
Announcements made to the Colombo Stock Exchange	As and when required		
Investor Road shows	As and when required		
Prospectus	As and when required		
Investor relations web page within the Bank corporate website	Ongoing		



Silver award winner in 2015 for Best Investor Relations as judged by CFA Sri Lanka - Capital Market Awards



SMS alert/video on the release of the 2014 Annual Report



Revamped the investor relations web page

LKR 10 billion

Raised via a listed debenture in June 2015

Over 100

One to one investor meetings held in 2015

Customers

Our customers are individuals (including minors and senior citizens), micro business ventures, SMEs, and large corporate entities incorporated in Sri Lanka or overseas.

Strategic Objectives

To build and maintain long-term relationships with our customers through superior value creation and thereby enhance our corporate reputation and image.

Method of Engagement	Frequency of Engagement	Key topics and Concerns Raised	How the Bank Responded to Such Topics and Concerns
Customer feedback scores to measure customer satisfaction level across the branch network	Periodic	Types of products and services Product pricing (interest rates, other fees and charges)	A dedicated 24-hour call centre and a Customer Relationship Management Unit promptly attend to customer enquiries and concerns.
Customer interaction through visits, get-togethers and workshops	Periodic	Level of customer service and quality of customer interactions through key touch points.	Customers may raise their feedback through the branch network (Branch Managers are the dedicated service ambassadors), 24 hour Call Centre and via Online messages/by e-mailing us at contact@ndb.com or by writing to the Manager Customer Relationship Management. National Development Bank PLC. No 40, Navam Mawatha, Colombo 02.
Extended banking hours	24/7 x 365 days	Availability of branches, ATMs and other physical touch points	Customer feedback is taken into consideration when simplifying Bank's processes and developing new products and services.
Corporate website	24/7 x 365 days	Appearance of the Bank in leading social media sites	The Bank maintains a transparent complaints handling procedure and tracking system, with set service levels and timelines which are published on the corporate website. It includes the escalation process for redress through the Financial Ombudsman.
Online Messages (NDB Bank Online)	24/7 x 365 days	Efficiency of relationship staff	
Social media interactions	24/7 x 365 days		
Contact@ndb.com	24/7 x 365 days		
Contact Centre	24/7 x 365 days		
Print and electronic media	24/7 x 365 days		

100%

Customer complaints resolution

10

New Branches

101

ATMs



e-statements introduced to customers

> 80%

Customer feedback scores for 90% of Branches

Employees

Our employees comprise management, executives, non-executives as well as contract staff.

Strategic Objectives

To create an environment conducive for the employees to develop and reach their potential both professionally and personally while ensuring a high performance work culture to succeed in the competitive market that the Bank operate in.

Method of Engagement	Frequency of Engagement	Key topics and Concerns Raised	How the Bank Responded to Such Topics and Concerns
Employee Surveys			
Employee Satisfaction Survey	Annually	Inducting staff to the Bank's values and culture.	The employees are provided ongoing training in order to enhance skills. They are also duly rewarded for their performance.
HR ISO Survey	Annually	Responsibility of retaining existing talent of the Bank.	
Internal Department Survey	Annually	Providing staff with the correct blend of skills, competencies and knowledge.	
Cultural Induction Programme			
Employee Induction Programme	Quarterly	Responsibility of increasing productivity levels to maximize business efficiency.	Further, specific activities are undertaken to bring about work-life balance and maintain a high degree of engagement within the organization.
'In Retrospect' Programme	Quarterly	Attaining work-life balance across all the levels.	
Soft Skills Training Programme	Ongoing	Regional engagement in the context of rapid expansion.	
Periodic Staff Meetings			
Town Hall meetings	As required	Maintaining information flow within the organization.	Maximizing emotional engagement of staff with the workplace.
The Leadership Team meetings	Weekly		
Business Review meetings	Monthly		
Network Management National Conference	Annually		
Regional Managers meetings	Monthly		
Branch Manager meetings	Quarterly		
Department meetings	Ongoing		
Staff Societies			
Recreation Club	Ongoing		
Toastmasters Club	Ongoing		
Cross Functional Staff Committees	Ongoing		
Technologically Driven Platforms			
Performance Development System	Ongoing		
Human Resource Information System (HRIS)	Ongoing		



32.4 training hours per employee



Plant a tree-Save the planet employee volunteerism programme



Innovative recruitment initiatives for rapid growth



Record number of awards for NDB Toastmasters



Engagement activities for NDB family

Employees Contd.

Method of Engagement	Frequency of Engagement	Key topics and Concerns Raised	How the Bank Responded to Such Topics and Concerns
Bank Policies			
Whistle-blowing policy	Ongoing		
Open door management policy	Ongoing		
Recognition Schemes			
Retail Banking Awards	Annually		
Staff talent recognition programmes	Ongoing		
Welfare Agenda			
Employee Volunteerism Programmes (Sustainability and CSR Agenda)	Ongoing		
HR Welfare Programmes (covering staff and their family members)	Ongoing		

Suppliers

Suppliers are persons or organizations that provide goods and services required for running the Bank's business.

Strategic Objectives

To ensure timely supply of goods and services of the required quality at a reasonable price to ensure business continuity.

Method of Engagement	Frequency of Engagement	Key Topics and Concerns Raised	How the Bank Responded to Such Topics and Concerns
Supplier reviews and assessments	Annually	Fair pricing.	The Procurement Policy of the Bank ensures transparency and fairness in procurement processes.
Supplier visits	As required	Quality of the goods and services provided.	
Supplier meetings	As required	Operational efficiencies in the procurement process.	Regular engagement with suppliers to identify and resolve issues and ways for improvement.
Corporate website	As required	Transparency and equal opportunity in the selection process.	
Press advertisements	As required	Treating suppliers as a strategic stakeholder group.	
Emails, circulars and other modes of communication	Ongoing	Acceptability of the supplier's labour and environmental practices.	



Board approved Procurement Policy governing fair procurement processes

ZERO COMPLAINTS

For unfair treatment by Bidders

Society and Environment

This encompasses the social systems as well as the living and non-living natural systems including land, air, water and ecosystems in which the Bank operates.

Strategic Objectives

To be an exemplary corporate citizen through a structured approach to CSR while being mindful of the symbiotic relationship between the Bank, its local communities and the physical environment in which it does business.

Method of Engagement	Frequency of Engagement	Key Topics and Concerns Raised	How the Bank Responded to Such Topics and Concerns
Sustainability aspects integrated within the Annual Report	Annually		
Capacity building seminars for customers	Monthly	The Bank follows a practice of appraising loan applications for environmental and social safeguards in addition to the general economic aspects.	The Bank is concerned about sustainability and has taken steps to integrate it into every aspect of the business. This best practice generates benefits for all stakeholders including the customers and suppliers.
Capacity building seminars for potential customers of the community	Monthly		
Procurement Committee for Suppliers	As and when required	The Bank's procurement guidelines include an assessment of environmental and social practices of suppliers.	Society grievances are addressed as and when required. However, there were no grievances in 2015.
Community Projects	Ongoing		
Environmental Projects	Ongoing		



Planted 2000 trees



Conducted over 17 programmes to screen for chronic kidney disease (CKD)

Aa

Trained 196 teachers on their skills in English



Educated customers on the financial, social and environmental aspects related to business operations



Introduced a supplier rating scheme to ensure social and environmental responsibility

Regulators and Government Authorities

The primary stakeholders are the Central Bank of Sri Lanka, Securities and Exchange Commission of Sri Lanka, Colombo Stock Exchange and the Department of Inland Revenue.

Strategic Objectives

To ensure compliance with all regulatory requirements applicable to the Bank.

Method of Engagement	Frequency of Engagement	Key Topics and Concerns Raised	How the Bank Responded to Such Topics and Concerns
Submission of returns/information	Ongoing	Update on the regulatory requirements affecting the Bank.	The Bank functions within a comprehensive compliance framework, overlooked by a dedicated Compliance Department established within the Bank.
Response to directions, circulars and guidelines	As required	Adherence to and compliance with laws and acts relevant to the banking/financial sector, including those of the Central Bank of Sri Lanka, Colombo Stock Exchange and other regulatory bodies.	The Bank prioritizes on maintaining the highest level of compliance with all legislation, regulations and rules applicable to its business.
On-site visit	As required	Awareness of developing regulatory and governance practices (e.g. Basel III).	The Compliance Department performs compliance audits to review the degree of compliance with both internal and external regulations. These audits are based on the risk assessments approach.
Consultations and meetings	As required	Adherence to the provisions of the Department of Inland Revenue.	Compliance training and awareness play a key role in sustaining a culture of compliance within the Bank and in mitigating compliance risk. Employees (both front line and support services) are trained on an ongoing basis and all staff members are required to complete mandatory regulatory and compliance training. Training is delivered through various means, including staff induction programmes, e-learning, face-to-face training and focused activities such as explanatory notes and e-flyers.
Announcements to the Colombo Stock Exchange	As required	Meeting legislative requirements in respect of consumer protection and engaging with the Financial Ombudsman of Sri Lanka to resolve customer grievances.	The Bank contributes to the development of policy, legislation and regulation through submissions of our comments and views to technical committees and associations that we are a part of within the banking industry as well as through regular engagement with regulators.
			The Bank has in place a comprehensive core-banking system which facilitates and ensures accurate and timely regulatory reporting.
			Furthermore, the Bank maintains open and continuous dialogue with the regulatory bodies on matters of concern.



Conducted awareness programmes on anti-money laundering, suppression of terrorist financing and compliance policy and code of conduct



e-Learning on exchange control regulations for employees



Better understanding on customer due diligence (Through e-flyers)



26 Explanatory notes on changes in the regulatory environment

Strategic External Initiatives

The Bank maintains close rapport with relevant industry associations, advocacy bodies and the like through memberships and the active participation in committees, projects and similar initiatives.

External Entity	Bank's Level of Involvement
Sri Lanka Forex Association	Bank's Treasury staff members are active members of this Association.
Sri Lanka – China Business Council	The Bank has been a member of this Business Council since 2014 and has built close ties with the Chinese business community during this period.
Trade Finance Association of Bankers	All members of the Bank's Trade Finance team are members of this Association, whose primary objectives are to share expert knowledge and engage with authorities on matters of concern to seek solutions. Two senior members of the Trade Finance team of the Bank hold the positions of Vice-President and Editor of the official newsletter of the Association.
Banks' CIO Forum	This is a forum functioning under the Sri Lanka Banks' Association, tasked with uplifting the level of technology governance across the banking sector. This includes assisting the Central Bank of Sri Lanka (CBSL) with policy covering technology, cyber security, payment systems, etc., as well as organizing events with world renowned speakers. The Bank's Vice President – Information Technology is the Deputy Chairperson of the Forum.
Lanka SWIFT User Group	This is an entity representing all users of SWIFT within Sri Lanka and represents the country at the annual global SIBOS event. The Bank's VP – Information Technology is a member of the Executive Committee of the Group.
Employers' Federation of Ceylon Ltd. (EFC)	As a member of the Federation the Bank receives professional advice on legal and labour related matters when required. The Federation also appears on behalf of the Bank on Labour Department matters.
Institute of Bankers of Sri Lanka (IBSL)	The Bank obtains membership from IBSL for its staff and the Bank widely patronises all IBSL hosted events/seminars etc. The Bank also reimburse costs of IBSL conducted banking exams across all levels of staff. To facilitate and deliver customized and off-the-shelf programmes which include Certificate courses, Diploma courses and other subject specific seminars. These are conducted exclusively for the Bank's employees in-house and at IBSL as required.
Payment Cards Industry Association of Sri Lanka (PCIASL)	The Bank is a member of this Professional Industry Association. Its membership consists of all payment card acquiring and issuing financial institutions in the country. It is the industry voice dealing with industry issues with VISA Intl., MasterCard Int, CBSL, Inland Revenue, Exchange Control, SLBA and the Payment and Settlements Department. The PCIASL has quarterly meetings and regularly takes up important issues with the respective institutions on behalf of the industry.
International Information System Security Certification Consortium (ISC) ² of the United States	An officer of the Group Risk Management Department is the current president of the (ISC) ² Colombo Chapter. (ISC) ² is the largest not-for-profit membership body of certified information security professionals worldwide, with members in more than 135 countries engaged in developing information security awareness, education and introducing best practices in the country.
Association of Banking Sector Risk Professionals	Two members of the Risk Management Team continue to be members of the Association, one of whom was elected as a Vice President of the Association for 2015.
Association of Compliance Officers of Banks Sri Lanka	The Compliance Department of the Bank is a member of the Association, which is an effective forum to discuss issues commonly faced by Banks when interpreting relevant laws, regulations, procedures and best practices. Practical solutions are discussed within the regulatory framework in order to overcome the challenges faced.
British Computer Society (BCS) Council Sri Lanka Section	A member of the Bank's IT Strategy and Business Development Unit is the Honorary Treasurer and Executive Council Member of BCS Council Sri Lanka Section.
Asia Pacific ICT Alliance (APICTA)	A member of the Bank's IT Strategy and Business Development Units serves as a Judge and organizing Committee Member of APICTA, which is an organization dedicated to increasing ICT awareness in the communities and assist in bridging the digital divide, by providing networking and product benchmarking opportunities to ICT innovators and entrepreneurs across Asia.
American Chamber of Commerce. (Amcham)	The Bank's Chief Executive Officer is a Director of Amcham and the Bank's Vice President - Transactional and Institutional Banking is represented in the CSR subcommittee of Amcham.
Bank Computer Security Incident Response Team	The Bank's Chief Operating Officer is a Steering Committee Member of BCSIRT.
Credit Information Bureau of Sri Lanka (CRIB)	The Bank's Chief Operating Officer is an Alternate Director of the Board of CRIB.