

Working with Passion

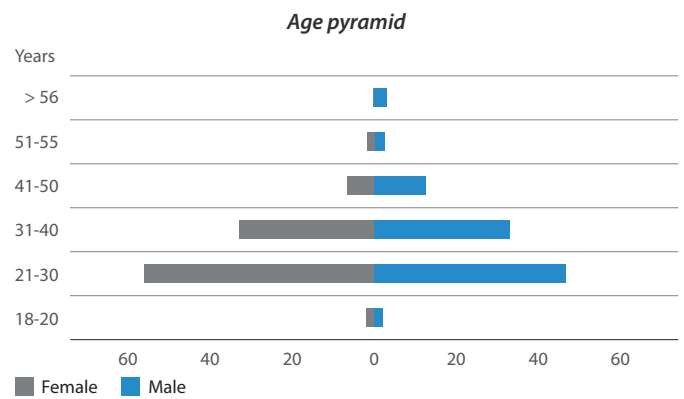
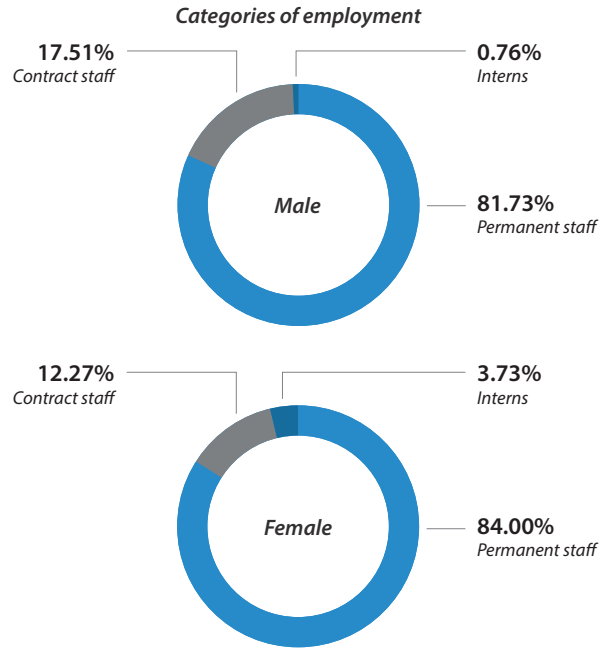
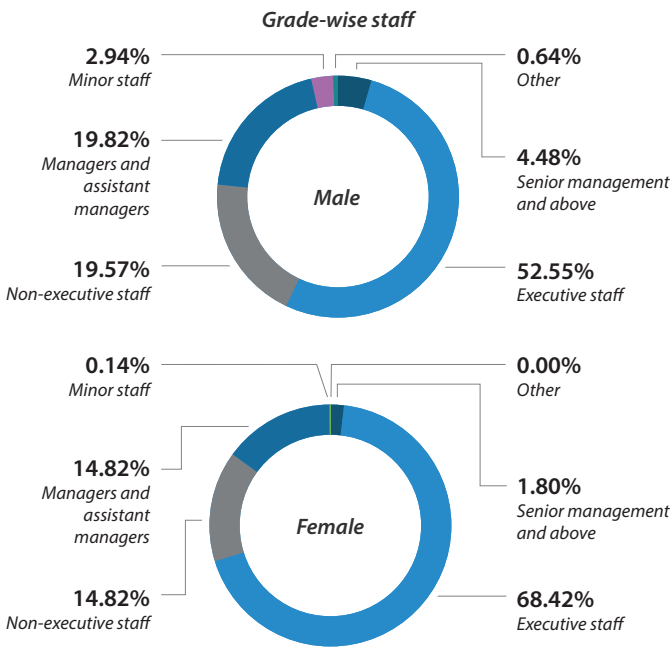
The human capital of SDB Bank is an intangible asset/quality, not listed in the Bank's balance sheet. It is the accumulated wealth of knowledge, talents, training, skills, judgement, and the accrued experiences of the pool of employees at the Bank.

The Bank recognises that improvements to its human capital through training, education, and experience makes the individual more productive, the Bank more profitable, and increases the collective wealth of society.

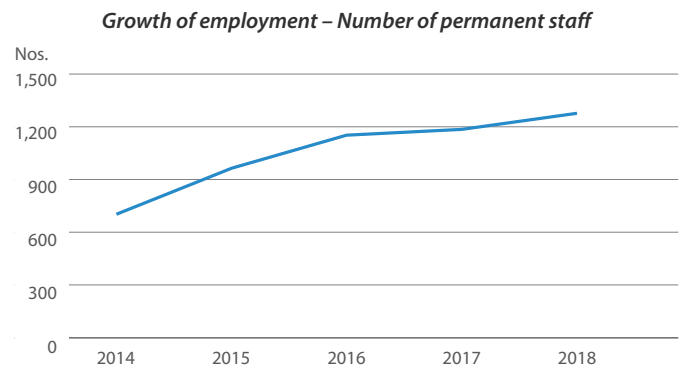
The Bank's human capital is managed by its human resources (HR) Department. This Department oversees recruitment, assists with workforce planning and strategy, employee training and development, and reporting and analytics.

The composition of staff at SDB Bank comprises the following:

Refer online HTML version for more details.



The growth of employment at SDB Bank is shown in the following table.



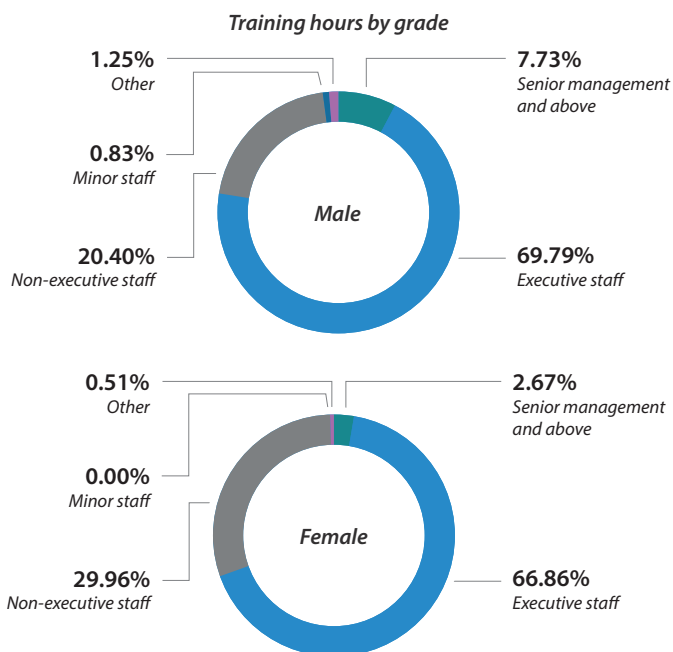
Training and development

SDB Bank has structured its training programme to encompass internal, external, and foreign interactions and transactions. This is further divided into training on technical aspects and development of soft skills.

The training is focused on the needs of the market segments which the Bank caters to i.e. SME, Retail, and Co-operative.

The training consists of programmes that empower the relevant employees to identify the credit worthiness of businesses, potential areas of improvement, and prospects for income generation. The soft skills involve training on how to handle SME customers and make them want to deal with the Bank on an ongoing basis.

The Bank's total investment in training and development amounted to LKR 9.8 Mn. which translates into 3,817 hours and 204 sessions of training in various fields.



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Employee engagement

The Bank's engagement with its employees is continuous and takes place on formal and informal platforms.

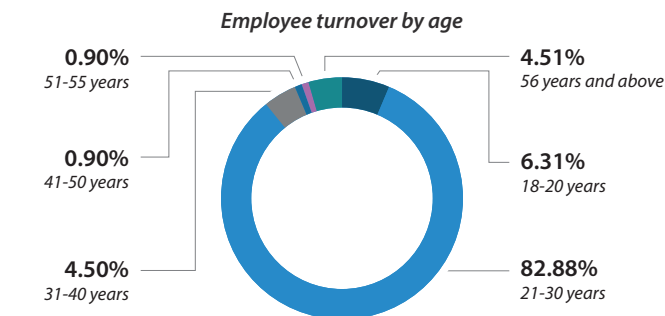
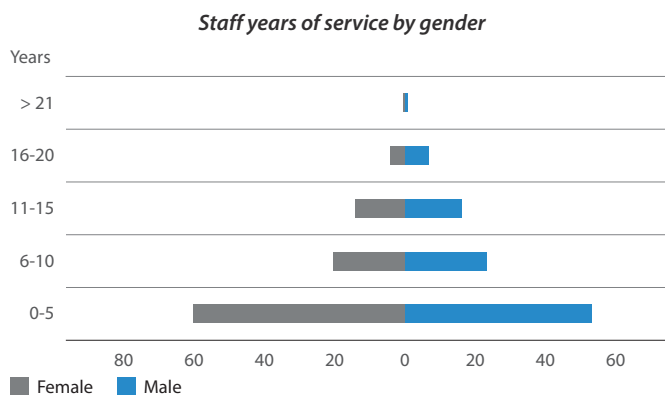
Management visit branches, where there is a free exchange of ideas and also provides an opportunity for employees to raise issues that may be causing concern to them. It has been found that discussions unhindered by formalities often solve problems that would otherwise fester if left unaddressed.

Social functions are organised regionally which help to build relationships amongst employees in a less formal environment. CSR events, such as blood donation campaigns, operating Wesak *dansalas*, *bakthi geetha*, award ceremonies, cricket festivals and tree planting projects give the opportunity for employees to participate in activities which are external to their work programmes and enhance their feelings of self-worth and contributions to society.

Employee retention

The level of employee retention at the Bank is relatively strong with 43% of the workforce having continuous employment with the Bank in excess of at least six years.

Refer online HTML version for more details.



The employee turnover rates by grade and gender are shown in the table below.

Employee turnover by grade & gender	Male %	Female %
Senior Management and above	0.06	0.06
Executive staff	0.80	1.24
Non-Executive staff	3.40	1.50
Managers and Assistant Managers staff	0.20	0.06
Others	0.06	-
Total turnover	4.52	2.86

Performance management

Performance evaluations of employees have hitherto taken place annually and are measured against three dimensions of employment:

- Business targets/KPIs
- Behavioural attributes
- Value propositions

In 2018, the Bank introduced bi-annual reviews of performance with the system being linked to incentives, training and career advancement.

Equal opportunities are given for employees to apply for vacancies that arise throughout the Bank. In certain instances, depending on the requirements, certain vacancies are filled by external candidates.

Employee recruitment by age	Total	%	Male	%	Female	%
18-20 years	34	13.39	23	14.29	11	11.83
21-30 years	198	77.95	119	73.91	79	84.95
31-40 years	6	2.36	5	3.11	1	1.08
41-50 years	9	3.54	7	4.35	2	2.15
51-55 years	2	0.79	2	1.24	0	0.00
56 years and above	5	1.97	5	3.11	0	0.00
Total new hires	254	100.00	161	100.00	93	100.00

Benefits provided to employees

The Bank actively encourages the recruitment of employees best suited to relate to its culture and values and offer competitive terms of employment which lead to better retention rates as well.

The benefits that employees currently enjoy are:

- 21 days of annual leave
- Comprehensive medical insurance
- Employer's contribution to EPF 14% (minimum requirement is 12%)
- Medical leave of 14 days
- May carry forward to the following year, unutilised annual leave up to 7 days
- Membership of the Welfare Society
- Special leave for critical illnesses
- Female officers with infants are allowed feeding hours until their infants reach the age of 1 year
- Education support: Honorarium payments for completion of banking exams and reimbursement of professional membership subscriptions
- Two years no pay leave for those who are pursuing their higher education abroad, subject to a signed bond between the employee and the employer

Industrial relations

SDB Bank recognises the employees' right to freedom of association and consequently 75% of their workforce is unionised. The Bank maintains harmonious relationships with its unions and there were no major disruptions to work during the year. This is a significant achievement as it represents a complete turnaround to the fractious industrial relations environment it experienced a few years previously.

Future outlook

The Bank has adopted a transformation agenda for 2017-2020 which necessitates changes across many areas of its operations, including its human capital.

One of the key focus areas of this programme relates to revenue generation through Customer Value Propositions (CVP) development and branch optimisation programmes. The focus on improving performance assessments of employees and implementing a robust performance tracking system is expected to bring about a change in the attitudes, culture, and employee practices.