

# WHAT MAKES THE BANK SUSTAINABLE

Sustainability as applicable to the Bank has two dimensions. Firstly, it is the ability of the Bank to sustain its performance into the foreseeable future as a going concern. Secondly, it relates to the way the Bank conducts its enterprise giving due consideration to society and the environment so that benefits accrue to the wider community and the environment. The two dimensions are so tightly interconnected that it is the sustained performance of the Bank that enables it to give due consideration to the society and the environment while the Bank cannot sustain its performance in the long run unless it gives due consideration to the social and environmental aspects. The Bank is cognisant of the need and its responsibility to deliver value to all its stakeholders. At the same time, poor social and environmental performance by its stakeholders, for example manifested by any irresponsible lending and investment decisions of the Bank, may pose a risk to the sustainability of the Bank.

The Bank is aware that its overall performance and efficacy of long-term value creation will be judged by its contribution to society and the environment besides being economically successful – two mutually inclusive aspects. A profitable operation is a precondition for being sustainable.

Accordingly, integrated thinking now pervades the Bank and sustainability is built into its strategy and decision-making process itself, making it a responsibility of each and every member of the staff. This has enabled the Bank to take a proactive approach to sustainability by integrating social and environmental considerations into all its core business activities and operations placing them at the heart of everything the Bank does. These activities vary from responsible lending, investments, new product development, procurement etc. to social and environmental initiatives

such as recycling, use of renewable energy, supporting culture, health, and education etc. This has made the Bank's intermediary role more efficient by balancing the interests of various stakeholders and optimising the trade-off between risk and return.

The Social and Environmental Management System (SEMS) of the Bank which is a part of the loan approval process, plays a key role in managing the risk profile and making lending and investment activities responsible. Besides evaluating the feasibility of projects based on cash flows, all business and project loans are screened to ensure compliance with the applicable social and environmental regulations and are monitored on an ongoing basis. This in turn helps the entrepreneurs and SME customers to ensure the sustainability of their operations. The Bank also offers facilities for the adoption of environment-friendly technologies on concessionary terms and conditions.

Operating in a highly regulated industry, the Bank is subject to regulatory oversight of the Central Banks/Monetary Authorities in the countries we operate in which has stipulated a range of compliance requirements. The Bank accords the highest importance to these compliance responsibilities and has complied with all the applicable rules and regulations, both in letter and in spirit as detailed later. No significant gaps, lapses, or inaccuracies were observed during the year.

The Bank has a Code of Conduct for the staff which prescribes the expected behaviour of staff relating to ethics, conduct, and compliance to ensure their integrity and provides a relevant point of reference when enforcing corrective action. The Bank also has a Supplier Code of Conduct to ensure compliance to social and environmental considerations across the supplier value chain as well. The Bank procures from

suppliers supporting ethical business ranging from the use of environmentally accredited materials, transport, and fair and honest dealings in finances and their staff.

Demonstrating customer centricity, the Bank continued to enhance its offering of unparalleled convenience and unprecedented choice via a gamut of banking products and services to its customers through a wide network of 280 branches, 775 ATMs, and digital channels, with benchmarked service standards and streamlined internal processes. The Bank has in fact made banking more accessible and less intimidating, thereby promoting financial inclusion.

The Bank has recognised certain global developments with the potential to disrupt conventional business models of banks which it also believes as providing opportunities for growth. Leveraging its standing, the Bank has developed and implemented new and innovative business strategies involving collaboration, digitalisation, use of latest technology, data analytics, customer experience, trust, and is confident that these initiatives will help it realise its growth aspirations.

The Bank is in fact inspired and motivated by the value it creates for all its stakeholders by delivering value to and deriving value from them in turn. It is also aware that the higher the value it delivers, the higher the value it can derive in return.

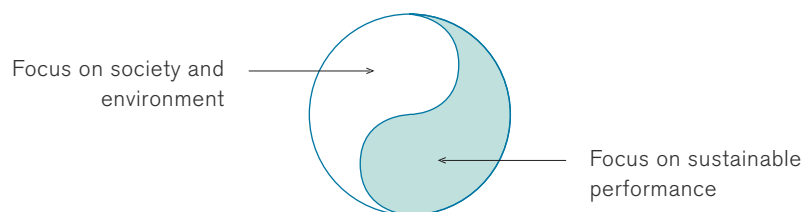


Figure – 10

