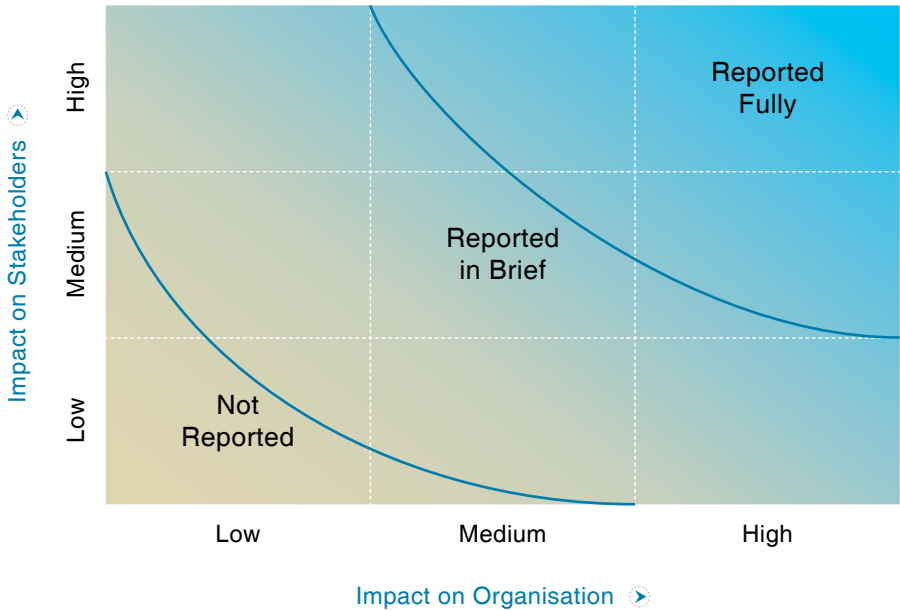


Materiality

A disciplined approach to corporate planning ensures that material matters are identified through critical evaluation of the Bank's value creation processes and the issues identified through our stakeholder engagement processes. Issues are prioritised and matters for inclusion in this Report were determined with reference to their materiality as depicted in the following grid (Figure 3).

How We Determine Materiality



→ Figure – 3

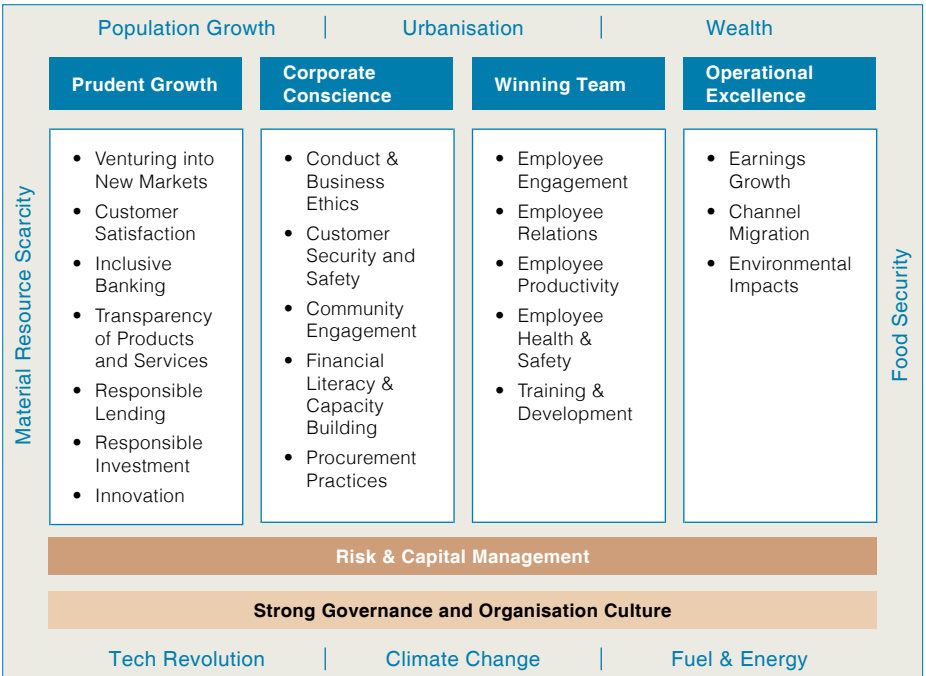
Good governance and risk management are the bedrock of our strategy and the commonality across all our strategic business units. We are committed to adopting the best practices in these evolving areas to secure the sustainability of our business and safeguard our reputation.

Our plans for growth are prudent, based on principles of sustainable growth, whether it is venturing in to new markets or in realising higher penetration levels in existing markets. Our lending and investment products are developed and marketed in a responsible manner to support financial needs for our customers for their socio-economic progress and our strategies for growth reflect this philosophy.

The process continues to evolve as we seek to increasingly adapt to a leaner style of reporting and communication. This year, we have framed the issues in our terminology and then mapped them to the aspects of the GRI G4 guidelines. Consequently, there are issues that are not included in the GRI G4 Guidelines, which we have included as material topics. Reconciliation of material topics to aspects identified in the GRI G4 Guidelines and UNGC principles is given on page 25 (Figure 5). We also considered the mega trends impacting businesses globally and locally to understand both the opportunities and risks they present to the Bank and these have been mapped around the material issues to complete the picture.

The GRI content index and the boundaries for material aspects are detailed on pages 220 to 225 and page 10, respectively.

Material Issues – 2015



→ Figure – 4

## Reconciliation of Material Aspects to GRI Performance Indicators and UNGC Principles

	Material Aspects	Relevant GRI Performance Indicator/ Other Regulations	UNGC Principles
<b>Prudent Growth</b>	Venturing into New Markets Customer Satisfaction Inclusive Banking Transparency of Products and Services Responsible Lending  Responsible Investment Innovation	HR1 PR5 FS7, FS13, FS14, EC7 PR3 FSI-5, FS8 CBSL Requirements FSI-5 Not covered in GRI	Principle 7,8,9
<b>Corporate Conscience</b>	Conduct & Business Ethics Customer Security and Safety Community Engagement Financial Literacy & Capacity Building Procurement Practices	PR4, PR9, SO8, EN27 FS9, PR7, PR8 SO1, EC6 EC8 HR10, LA14, SO9, E32	Principle 1,4,5,8
<b>Winning Team</b>	Employee Engagement Employee Relations Employee Productivity Employee Health & Safety Training & Development	HR4 LA4, LA16, HR4 LA1-3, LA12-13, HR3, HR5-6 LA8 LA9-11	Principle 1,2,3,4,5 Principle 4,5,6 Principle 1,2
<b>Operational Excellence</b>	Earnings Growth Channel Migration Environmental Impacts	EC1  Not covered in GRI FS8, EN6, EN23	Principle 7,9
	Risk & Capital Management	FS6	
	Strong Governance and Organisation Culture	SO3, SO5, SO8, PR9	Principle 10

→ Figure – 5

Recognising that with great power comes great responsibility, we are committed to conducting business in an ethical manner, beyond mere compliance with regulatory requirements. Additionally, our branches are firmly interwoven in to the socio-economic fabric of geographic regions in which they operate and we are committed to supporting their growth beyond business boundaries. Supporting empowerment of livelihoods and education, we hope to inspire the new generation of youth in reaching their full potential by providing forums for developing their skills.

In a service organisation, it is people who drive the organisation to new heights. We have a winning team who functions in a conducive environment, that has aligned their aspirations with those of the organisation. Indeed, the organisation's strategies for growth rely on the motivation, innovation, hard work and commitment of our people, whom we seek to develop to increase our capacity for creating value.

Operational excellence is necessary to optimise our capacity to create value for our stakeholders forming the fourth pillar

of our strategy. Eliminating waste and streamlining operations will ensure that costs of services are curtailed and processes made more robust and efficient.

The mega trends identified globally such as population growth, urbanisation, etc. as depicted on page 24 (Figure 4) will shape our industry and that of many other industries in the coming years and we monitor these to understand the changing expectations of stakeholders and the opportunities and risks it represents to the organisation.