

## CHAIRMAN'S STATEMENT FY 2018

We live in extraordinary times. A time of accelerating technological change that impacts our lives on a continuous basis; a time of economic and political changes since the financial crisis of 2008 and the rise of protectionism; technological change affords amazing new opportunities for those who are quick to grasp the possibilities that this change can offer to enterprises for developing new products, experience and channels to engage with their customers.

The second most important element for organizational adaptation to the new world that envelops us all is the inherent “culture” in which an organization functions. The culture decides the ways in which the employees interact with each other and with customers. It defines the energy, the enthusiasm and ownership of their roles within the organization. It provides a sense of pride in sharing successes and analysing failures for future learnings. Perhaps the most important aspect of the culture is the sense of belonging to an organization – that they feel they are building the organization individually and each one has a role in the growth and innovative process. Indeed, the culture defines the success of an organization in the long run as it involves the most important component – its people.

Many years ago, at DCB Bank, we planted the seed for building this culture. It needs to be sown and nurtured over many years. A delicate sapling transforms into a sturdy tree branching out and staying rooted to its core principles. Principle Centred Leadership is the root of this tree; it informs every component of the trees growth and spread. I firmly believe that without this constant attention to the cultural evolution, an

institution may eventually falter and trip itself up even though it has grown large and successful.

We started transforming the Bank more than a decade ago and steadily built our businesses. The Balance Sheet has now grown to over ₹ 30,000 crores today. The number is not as important as the manner in which it has been achieved. Some would say this growth should have been more rapid. This evolution was rooted in principles of integrity of operations; a retail strategy on both sides of the balance sheet; building of a cultural identity; intelligent design for quality growth; the principle of neighbourhood banking and transparency. Our numbers today reflect not just a quantitative picture of progress but a qualitative one as well.

We are building strong foundations that can last. In every area of activity we are striving to achieve at a level that is cutting edge. I would like to mention a few supporting areas to frontline units that are normally not visible.

- Our branch expansion strategy was rolled out impeccably giving us a network of 318 branches over the 160 branches we started out with in October 2015. This gives us many degrees of freedom to grow CASA, expand the Balance Sheet, deliver products and serve customers across India.
- Our “Big Data” (Data Analytics) team has done some remarkable work on predictive analytics which is informing our businesses as well as support functions. These capabilities are being refined on a continuous basis.

- Our Information Technology unit is progressing towards cutting edge in terms of core solutions; its interactions with “fintech” companies; its support for product development for the frontline and its innovation for the future. Even amongst peers it is considered to be such.
- Our Collections and Recoveries team have done a painstakingly successful job in keeping our Non Performing Assets within the acceptable boundaries that we had set for ourselves. These are people who are in the frontline who work invisibly and untiringly throughout the year.
- Our Human Resources (HR) unit is perhaps one of the most energetic and creative that I have seen in any organization. It is largely responsible for recruiting people, inducting them into our culture and developing them while they are with us in line with their own goals for growth. In the past two years HR has added over 1,500 people for our branch expansion program for customer facing and other roles.

The success of an organization cannot be attributed to particular verticals; it's the interdependence of all of them and the ability of the MD & CEO and the Management Team to integrate effectively across these verticals. It's a constant circle of 'analysis' leading to 'synthesis' and back again. For an organization to be truly sustainable in the long run it requires all cylinders to be firing in unison. I am convinced that the Bank, after many years, developed a culture that is now coming into its own. Success is measured by the degree of coordinated integration that is systematically managed and executed. Success is shared and acknowledged.

That is why we use the theme this year of “Synthesise”. It's the coming together of all the attributes of an organization under the broad banner of “culture” which is the binding force under which effective integration can indeed take place. It needs to be a core element of leadership. I am happy to report that these processes are well underway at your Bank and, in the ultimate analysis, the reason why we can deliver and we aspire to do so in the years ahead.

**Nasser Munjee**

Chairman

Bengaluru, April 14, 2018