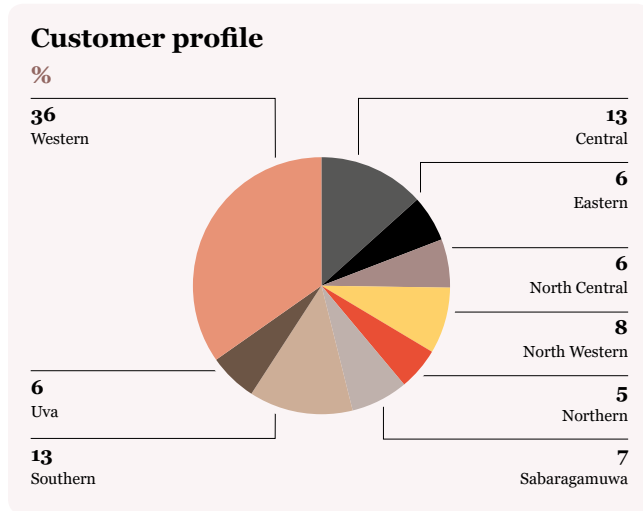


Customer Capital

Customer profile

The Bank's branch network continued to expand with a focus on the Southern and Western Provinces. Resultantly, an increase in the customer base was seen in these provinces.



The DFCC Group

The Bank's primary lines of business are complemented by the Bank's subsidiaries.



Consultancy



Industrial estate management



Information technology services



Investment banking



Licensed unit trust and investment management

Our Portfolio

Primary lines of business



Corporate Banking



Consumer Banking



Branch, SME and MSME Banking



Premier Banking



Treasury



Business Banking



International Banking



Credit line/Subsidy scheme supported project loans

Saubhagya

for Small and Medium Enterprises (SMEs)

SMILE III Revolving Fund

for SMEs

Small and Medium Sized Enterprises Line of Credit (SMELoC)

for SMEs

Swashakthi (Micro and Small Enterprises Development Loan Scheme)

for Micro and Small Enterprises

Loan Scheme for Resumption of Economic Activities affected by Disasters (READ)

for small-scale businesses affected by a disaster

E-friends II Revolving Fund

for pollution reduction and efficiencies improvements

Smallholder Agribusiness Partnership Programme (SAPP)

for agriculture smallholders

Rooftop Solar Power Generation Line of Credit (RSPGLoC)

for rooftop solar systems of up to 50 kW

New Comprehensive Rural Credit Scheme (NCRCS)

for short-term cultivation



Loans scheme under “Enterprise Sri Lanka”

Jaya Isura
for SMEs

Ran Aswenna
for small scale farmers and Agro and Fish processing

Govi Nawodaya
for small scale farmers

Rivi Bala Savi
for small scale household rooftop solar

Green Loan
for small scale producers of biodegradable products; and small scale “home stay” tourism owners



Other project loans

Term loans
for corporates, SMEs, professionals and individuals



DFCC credit card

The only Credit Card that offers 1% Cashback on every swipe

for corporates, self-employed individuals, professionals and salaried individuals



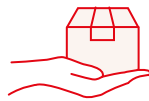
Working capital financing

Short-term working capital financing – overdrafts, revolving credit or short-term working capital loans

for corporates, SMEs, entrepreneurs and current account holders

Medium, long-term loans to finance permanent working capital requirements

for corporates, SMEs and entrepreneurs



Vardhana Sahaya

A one-stop financial solution offering loans, leases, bank guarantees and other commercial facilities

for MSMEs



Leasing facilities

“Easy Leasing” facilities for brand new and unregistered/registered vehicles, machinery, plant and equipment

for corporates, SMEs, entrepreneurs, professionals and individuals



Hire purchase facilities

Hire purchase facilities for vehicles

for corporates, SMEs, entrepreneurs, professionals and individuals



Guarantee facilities

Bid bonds, advance payment bonds, performance bonds, bank guarantees for credit purchase of goods

for corporates, SMEs, entrepreneurs, professionals and individuals



Time deposits

A wide range of tailor-made time deposit products at competitive interest rates

for corporates, SMEs and individuals



Loan syndication

Loans provided by a group of lenders which is structured, arranged and administered by one or several banks

for corporates



Consultancy and advisory services

Provision of legal, tax, finance, market and other advisory services to start up a new business or revamp existing businesses

for corporates, SMEs and entrepreneurs



Savings facilities

Supreme Vaasi – Offers a superior rate of interest

for businesses and individuals aged 18 years and above

Mega Bonus – Interest rates grow in tandem with the savings deposits

for businesses and individuals aged 18 years and above

Xtreme Saver – Offers the highest interest rate for Rupee and Dollar denominated savings based on the account balance

for businesses and individuals aged 18 years and above

DFCC Junior – Children’s savings account offering a range of gifts and support for higher education

for children below 18 years of age

DFCC Junior Plus – Children’s savings account with a higher interest rate

for children below 18 years of age



Education loans

DFCC Nenasa – Flexible and convenient loan facilities for higher education

for individuals pursuing higher studies

DFCC Garusaru – Offers an attractive interest rate with a range of other benefits

for senior citizens above 55 years of age



Personal loans

Loans that help meet personal financing requirements

for salaried employees and professionals, and salaried individuals



Digital products

- DFCC Virtual Wallet**
- DFCC iConnect**
- Mteller**
- Premier Go**
- eStatements**
- SMS alerts**
- Internet banking**

for corporates, SMEs, entrepreneurs, professionals and individuals



Pawning services

Ranwarama Pawning – Gold-pledged advances

for the mass market/ individuals



Bancassurance

for corporates, SMEs, entrepreneurs, professionals and individuals



Housing loans

DFCC Home Loans – Flexible and convenient housing loans at affordable rates

for self-employed individuals, professionals and salaried individuals

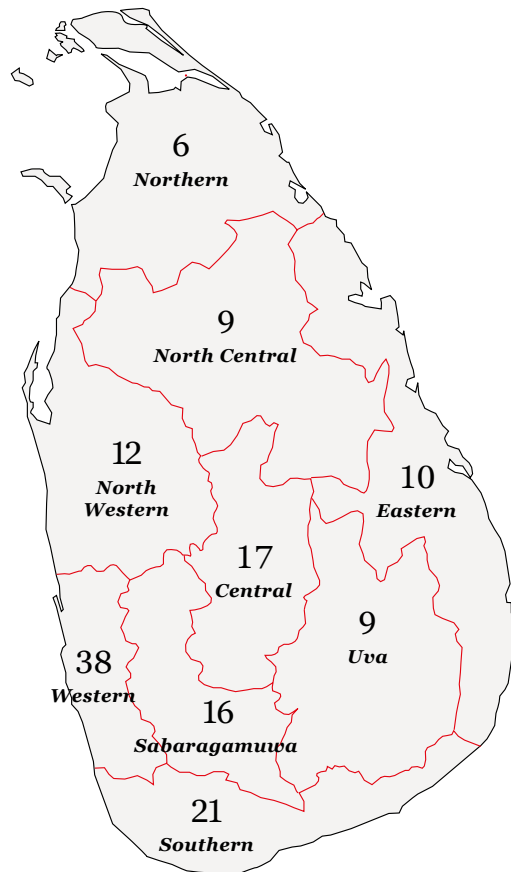
Other services

Includes current accounts, overdraft facilities, foreign currency accounts, international trade services, off-shore banking, international payments, foreign money transfer via Western Union/Lanka Money Transfer and local payments.

for the business community, entrepreneurs, professionals and individuals

Branch network and service delivery

The Bank expanded its branch network in 2018 by converting 10 extension offices (Sri Lanka Post Banking Units) into fully-fledged branches. The Bank expanded its presence in busy commercial centres with the opening of branches in Nivithigala, Urubokka, Buttala, Wellawaya, Eppawela, Marawila, Mawanella, Ruwanwella, Godakawela and Mahiyanganaya. Customers also have access to the Bank’s services through over 3,800 ATMs across the island. The Bank embraces technology in expanding its reach to customers outside of the traditional brick and mortar via Internet and mobile banking services. Customers also have access to the Bank through its 24/7 Call Centre and the Bank’s website.



Scan to view the Message from the Chairman
<http://dfcc2018.annualreports.lk/bn.html>

New product and service innovations

Launch of revamped DFCC credit cards

DFCC Bank relaunched its Credit Card range in March 2018. The range of cards offers 1% Cashback on every swipe, a first in the banking sector in Sri Lanka. The cards, which include the Gold, Platinum, Signature, and DFCC Premier Visa Infinite Credit Cards, feature a sleek new look and are enabled with Visa payWave contactless technology and an EMV chip.

Cardholders are offered 0% instalment plans, flexi plans, interest-free credit up to 51 days, access to cash advances through any ATM network locally and internationally, supplementary cards for immediate family members, settlements through DFCC online payments or through DFCC Virtual Wallet, 24x7 transaction monitoring by DFCC, and free SMS alerts.

DFCC Visa Signature and Visa Infinite cardholders receive additional special benefits when they travel, including free travel insurance from Allianz Insurance when air tickets are purchased with the DFCC Credit Card, free access to over 1,000 airport lounges worldwide, and exclusive Visa offers at partner merchants worldwide.

Launch of DFCC iConnect

DFCC iConnect is a state-of-the-art online banking platform that provides business clients with a robust system for effective payments and collection, significantly reducing operational pressure, minimising risk, and optimising efficiency and productivity. The platform was launched with the objective of assisting business clients in building more competitive, efficient, and global businesses.

The system operates on an intelligent identification model that keeps track of all activities performed at a user level, enabling businesses to have improved visibility over their cash flow. Clients can access their account transaction information from anywhere in the world and view account balances in real time, perform local/cross border payments, and choose the best collection mode at the click of a button. The system can be fully integrated into a client's Enterprise Resource Planning (ERP) system through a fully-fledged secured direct Host-to-Host (H2H) channel where encrypted payment instructions can be pulled automatically onto the DFCC iConnect platform, thus increasing productivity for the client.

Customers can also use the DFCC iConnect mobile app to stay connected to their finances anywhere in the world at anytime, offering total control over financial connectivity with the assurance of maximum security.

Towards a leaner future

The Service Quality team together with IT and PFS central processing was dedicated throughout the year towards implementing a workflow system to handle applications for personal loan facilities. The PFS credit appraisal process has been heavily streamlined, thereby making DFCC Bank a more formidable contender in the market for personal financial services in 2019.

As a Bank that lives by its values, DFCC Bank took a giant step towards creating a more customer centric environment in 2018 with the expansion of the Service Quality team to include Lean Management. The team is devoted to a singular major vision: reducing overall customer waiting time by 20% by the end of 2019 through the institutionalisation of lean thinking and techniques. The team embarked on this journey towards the vision with an in-depth study of the end-to-end processes for cash-backed facilities, leasing, and personal loans to identify wasteful activities that can be eliminated and increase the efficiency of processes which will help in creating memorable experiences for customers.

Product responsibility

Customers are increasingly becoming tech-savvy and expect to be well-informed before committing to purchases and services. Consumers use social media and other online resources to broadcast their experiences and satisfaction, or lack thereof, to broad audiences, which can impact the Bank's business and reputation. Therefore, transparency and clarity in product labelling is a responsibility of the Bank.

DFCC Bank takes this responsibility seriously by providing transparent and relevant information to its customers. Information about products and services are available in all three languages and employees are available to provide more information where necessary. The Bank also conducts events across the country to educate current and potential customers about its products and services.

Focus on social responsibility

DFCC Bank continued to support the communities it is a part of during 2018 through various initiatives in line with its strategic CSR pillars. Read more in the Social and Environment Capital section on page 66.

Customer privacy

DFCC Bank makes every effort to protect the privacy of its customers, which it recognises as fundamental to building trust and developing the relationship between itself and its customers. The Bank utilises secure systems and procedures to reinforce banking transactions and continuously develops and upgrades these systems. Customer privacy is an integral part of the Employee Code of Conduct, ensuring that employees understand the importance of protecting the privacy of their customers and play their part in upholding the secure systems and procedures of the Bank.

Customer satisfaction and complaint handling

The Bank reaches its customers through an extensive network of touch points ranging from conventional brick and mortar to Internet and mobile centric digital banking solutions that include DFCC Virtual Wallet, Premier Go and DFCC iConnect. Keeping up with ever changing customer aspirations and preferences is a fundamental reason for the Bank using cutting-edge banking technology to reach the customer, and while many customers prefer to bank via conventional means for the human touch, upcoming generations of

customers demand a contextual banking experience. In light of this, the Bank will continue to come up with innovative means of expanding its reach.

Marketing communications

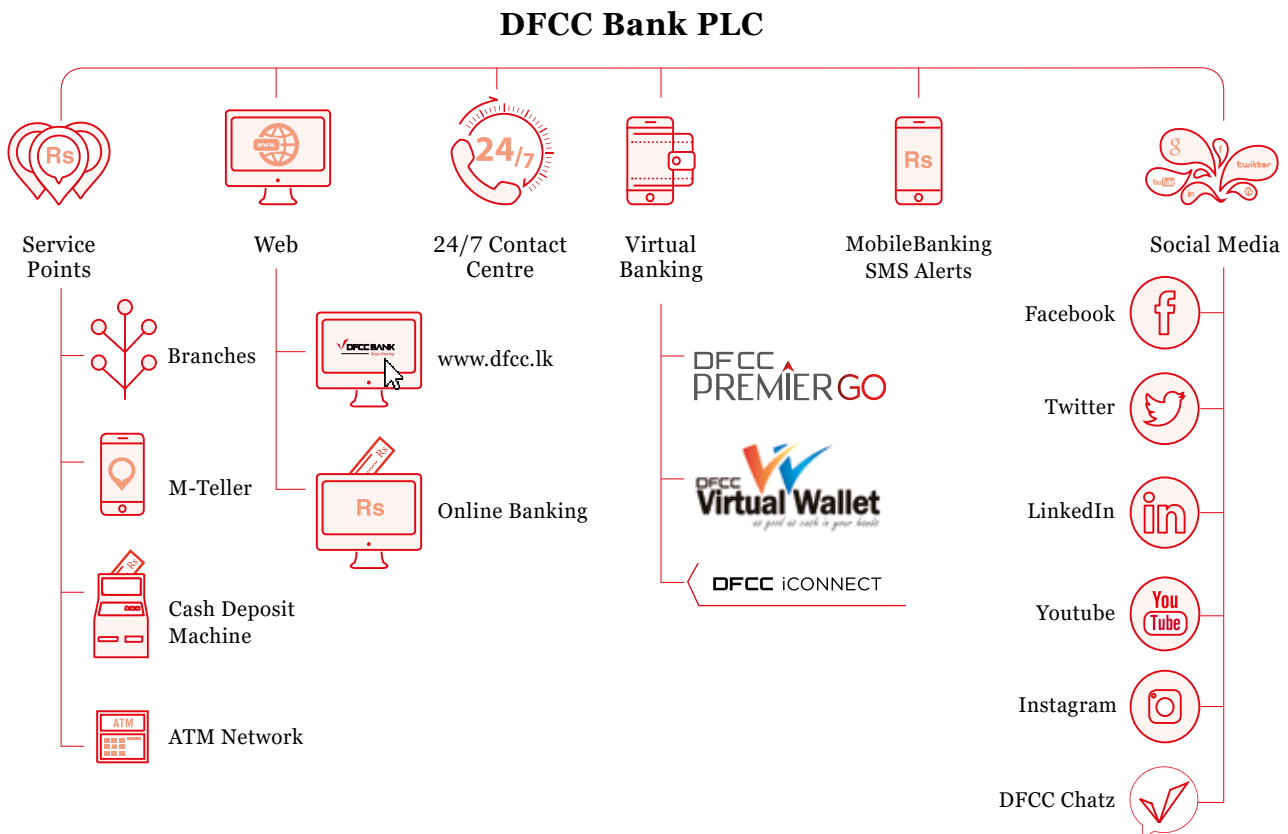
The Bank engages with customers and potential customers over multiple channels in English, Sinhala and Tamil. A Board-approved Corporate Communications Policy and Social Media Policy defines how the Bank engages with customers and the Bank works to ensure that its information is accurate and complies with the policies, the Central Bank of Sri Lanka and the Bank’s Customer Charter.

The Bank carried out various brand-building initiatives during 2018 such as marketing and seasonal campaigns, event sponsorships, and customer engagement activities. Further details can be found in other sections of this Report.

Call centre operations

As the first contact point for customers who call the Bank, the Call Centre provides an important service at the Bank and operates under the Payments and Digital Channels department. The Call Centre conducts inbound and outbound functions 24 hours, seven days a week to ensure the smooth functioning of the Bank’s operations.

Multi channel customer touch points



Handling product queries and activations

Call Centre staff members are trained and coached on all DFCC Bank products and are briefed on whenever a new product or system is launched. A comprehensive customer validation methodology has been adopted and applied before any information is provided to customers.

Inbound calls

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total queued calls	11,976	9,187	11,813	11,235	12,279	12,942	18,948	17,616	16,821	17,959	16,947	20,850
Average answered calls per day	365	397	365	365	386	416	588	548	539	555	540	645
Average talk time (Sec)	120	119	126	121	120	118	112	115	112	114	109	101

Outbound calls

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total calls placed	3,727	3,262	5,235	4,720	5,338	5,093	5,385	5,304	4,901	5,862	6,067	6,728
Average calls placed per day (week days)	186	181	262	262	254	268	256	241	258	266	319	336
Average talk time (Sec)	130	239	118	104	58	57	109	115	113	59	117	92

Trend of calls 2018

Nos.

