

Highlights

Broadbased The Utility Payment Solution

More utility providers and corporates joined the payment scheme



Launched The Tea Integrated Payment System

A groundbreaking supplier settlement system to serve Sri Lanka's large community of private tea manufacturers and tea leaf suppliers



Consolidated The Two Core Banking Solutions

The best of both systems were unified, thus achieving true synergy



Upgraded Sri Lanka Postal Units

Commenced the conversion of 58 service points at Sri Lanka Post Outlets to fully-fledged branches



Developed The Mobile Wallet Solution

A convenient electronic payment and fund management solution that allows users to send and receive funds through their mobile devices instantly



Established DFCC Bank's First Ever 'Automated Branch'

The 'Automated Branch' concept was established at the newly constructed branch premises in Negombo



The Power Of Two

The 60th Anniversary celebrated by DFCC Bank PLC also coincided with the amalgamation with its subsidiary, DFCC Vardhana Bank. Now a full-service commercial bank, the Bank's emergence as a new powerhouse in the banking sector of the country also saw a rebranding that symbolises many facets of our past, present and the future.

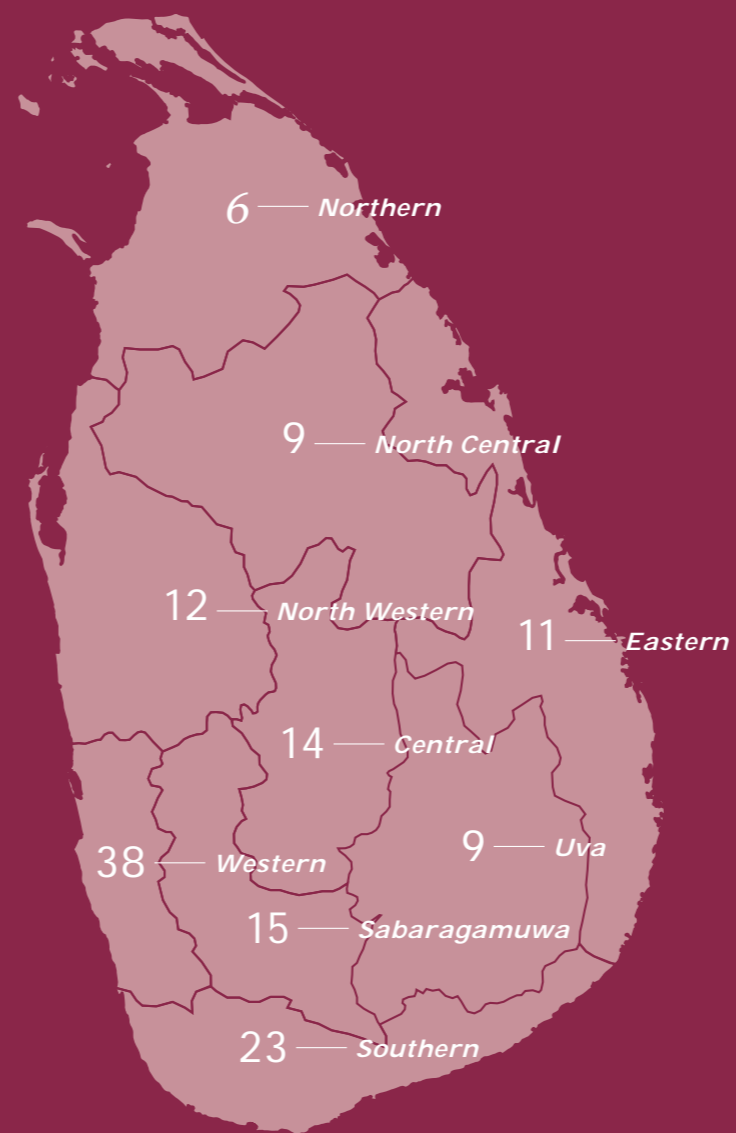


The stylised 'V' in the logo can mean many things to many people:

- * It builds on the former 'twin goals' of DFCC Bank, depicted by the two upward sloping dashes symbolising economic development of the nation while pursuing profitable growth of the Bank
- * The 'V' represents the former DFCC Vardhana Bank, while Vardhana Banking products and services continue to flourish
- * The two arrow heads embedded in the new logo pointing along two different trajectories imply that we are flexible in supporting your personal or business growth plans, as one size does not fit all
- * It also stands for our values, our vision and our past and future victories
- * The 'V' represents a young shoot emerging from the ground, like the SMEs we nurture and develop during their critical growth phase
- * And, it can even be a 'tick' that means DFCC Bank is the right choice for you!

Our Reach

Our services are delivered through 79 branches and 58 DFCC Bank service points at Sri Lanka Post outlets. Customers also have access to over 800 ATMs across the country as well as zero cost cash withdrawals from ATMs that are shared with eight other banks. DFCC Bank also offers Internet and mobile banking services.



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<http://dfcc2015.annualreports.lk>

Annual Snapshot 2015

The amalgamation of DFCC Bank PLC, one of the oldest development banks in Asia, and its fast-growing commercial banking subsidiary DFCC Vardhana Bank in October 2015 was a landmark event in Sri Lanka's financial services landscape

This milestone also coincided with the 60th Anniversary of DFCC Bank PLC as a very successful licensed specialised bank and its emergence as a full-service licensed commercial bank.

DFCC Bank PLC ('DFCC Bank' or 'Bank'), the surviving entity following the amalgamation, continues to support individuals and businesses of all sizes, offering both development banking and commercial banking facilities. Further, the Bank now goes beyond the earlier business model based on an 'operational merger' of the two banks that represented the 'DFCC Banking Business', to reap the benefits arising from a larger scale, a more diversified portfolio, streamlined systems and tax efficiencies.

In this our second Annual Snapshot, we continue to maintain DFCC Banking Business as our business boundary to enable comparison with past and future performance.





A Tale of Two Banks

It was not the best of times, nor was it the worst of times, but it will be remembered as one of the most momentous of times for DFCC Bank PLC. This paraphrasing of the opening lines of 'A Tale of Two Cities' by Charles Dickens aptly summarises the events of the year 2015.

While posting a mixed bag of financial results, the much-anticipated formalisation of the operational merger between DFCC Bank PLC and its subsidiary DFCC Vardhana Bank became effective on 1 October 2015 through an amalgamation of the two banks. The transition was smooth and seamless and the surviving entity is DFCC Bank PLC ("Bank").

We trace our origins to the establishment of Development Finance Corporation of Ceylon (DFCC) in October 1955 with a mandate to spearhead development financing in a newly independent nation. DFCC, which later became known as DFCC Bank and finally DFCC Bank PLC, evolved and grew with the times to celebrate its Diamond Anniversary in October 2015, which also coincided with the amalgamation. A happy augury indeed!

Our relationship with DFCC Vardhana Bank dates back to 2003 when we acquired a 94% equity stake in a fledgling commercial bank – then known as MERC Bank – to complement our development banking business.

We now bring together the best of two banks – a unique blending of a 60-year heritage in development banking skills with the dynamism of one of the fastest growing commercial banks in the country. New thinking is

pervading the internal mindset and a paradigm shift is taking place in customer experience. Novel electronic delivery channels such as Lanka Money Transfer and Supplier Settlement Service, a digital Mobile Wallet that fosters financial inclusion and the rebranding and relaunch of DFCC Bank's brand are some visible examples of the innovations and change that are taking place.

We are embarking on an ambitious five-year strategic plan that will position the Bank in the upper quartile of the local banking industry. It will be underpinned by diversifying our distribution channels, increasing the use of digital media and building further on our cautious expansion into foreign markets.

Well poised to take advantage of the new era of opportunity, we will ensure that the Bank will grow with you, for we have always been a bank that grew with our customers, rather than because of them.

Let's keep growing!

C R Jansz
Chairman

Arjun Fernando
Chief Executive/Director

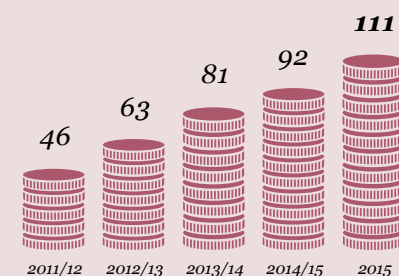
24 February 2016

Delivering Value to All

We realise that to create value for ourselves we must also deliver value to our stakeholders. They go hand in hand. Our stakeholders are those who interact with us and are impacted by our business activities, or whose actions can affect our business. Accordingly, our main stakeholders are our investors, customers, employees, business partners and the communities and environment in which we operate.

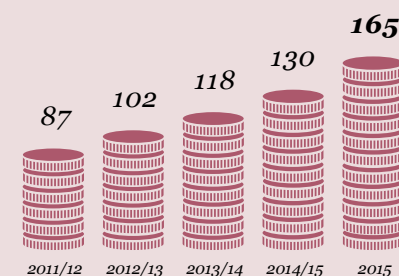
Deposits

(LKR billion)



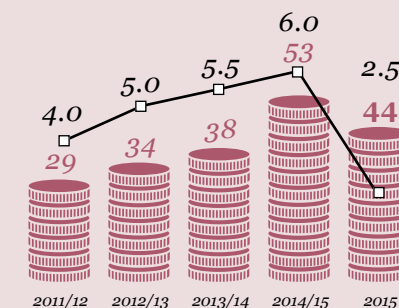
Loans and Receivables

(LKR billion)



Market Capitalisation and Dividends

■ Market Capitalisation (LKR million)
○ Dividend per Share (LKR)



Gender Balance

50 : 50

Training

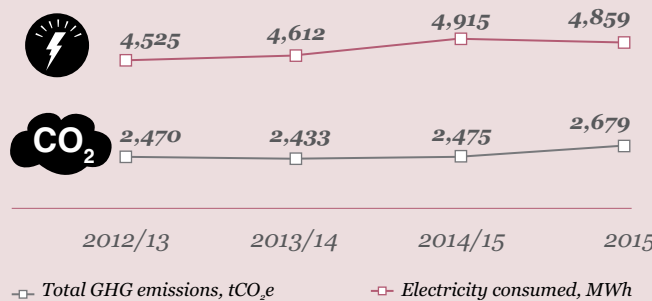
Average training hours per employee

Overall 25.6

Management 16.0
Executives 33.5
Non-Executives 22.9



Managing Our Environmental Impact



International Recognition



Implemented three credit lines as an Administrative Unit for Renewable Energy Projects and received 'Highly Satisfactory' rating



Apex Body for credit component of Plantation Development Project



Apex Body for DFCC V credit line for SME in the North and the East



Implementing EUR 90 million SME and Green Energy Global Loan

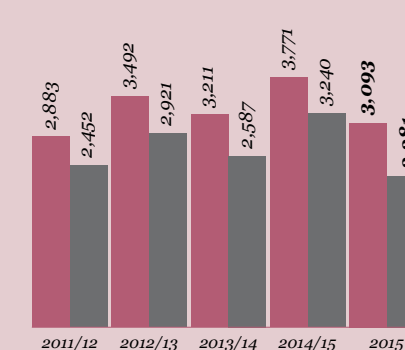
The amalgamation has changed the Bank's financial year-end from 31 March to 31 December. Thus, unless otherwise stated, we are reporting year 2015 as comprising the 12 months ending 31 December 2015 for 'pre and post-amalgamation' DFCC Bank PLC and the nine months ending 31 September 2015 for 'pre-amalgamation' DFCC Vardhana Bank.

Maintaining Sustainable Growth

We exist to create value, for ourselves and for our stakeholders – over the short, medium and long term. The value we create for ourselves can be seen in the profits we make, the growth and quality of our asset base, our financial stability as well as how we are recognised locally and internationally.

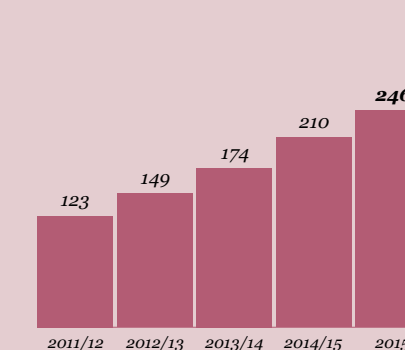
Profitability

■ Profit Before Tax (LKR million)
■ Profit After Tax (LKR million)

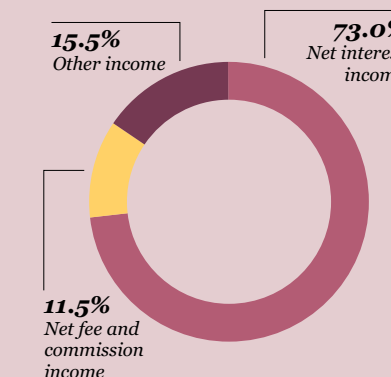


Total Assets

(LKR billion)



Income Diversification



Credit Quality

The ratio of impaired loans to total loans for DBB improved from 6.1% on 31 March 2015 to 5.1% on 31 December 2015.

Credit Ratings

Fitch Ratings of DFCC Bank were maintained and unaffected by the amalgamation:

Local currency rating of 'AA-'
Foreign currency rating of 'B+'
(stable outlook)

Capital Adequacy Ratios

	Tier I	Total Capital
Minimum regulatory requirement	5%	10%
DFCC Group, 31 December 2015	15.4%	15.3%

Key Achievements



Rating Award 2014

Best Achiever of the Year for Credit Administration



Outstanding Sustainable Project Finance Award

Merit Award for Sri Lanka's first grid connected solar power project



Excellence in Integrated Reporting Award

DFCC Bank Annual Report 2014/15 among Ten Best Integrated Reports



Business Today – Top 25

DFCC Bank ranked 16th among corporates



Financial Institution

DFCC Bank Annual Report 2014/15 wins Gold among Financial Institutions