

Institutional Capital

Institutional capital comprises a broad spectrum of largely intangible, non-financial components when managed systematically create value and enhance performance. It can include accumulated organisational knowledge, systems and processes, corporate culture and values, brand, business ethics and integrity, and other such elements.

Organisational knowledge

We utilise the knowledge pool that has been accumulated since the inception of our Organisation to achieve our strategic objectives. We consistently look at ways to maximise potential, increase efficiency of the staff to run the business on par with our tag line: “Keep growing”, and ensure we obtain feedback from employees through multiple mechanisms to improve the *status quo*.

Additionally, we have appointed in-house industry experts to educate our employees on loan appraisals and other such technical areas. There is also a strong sense of collective learning within DFCC, in which our senior employees are encouraged to mentor and pass down their knowledge to the next generation of officers. The new #TogetherWeGrow team formed this year also ensures that daily information is shared with staff on a variety of aspects. These aspects include Bank statistics of where we currently stand vis a vis our annual targets, sharing brief bulletins in relation to regulatory requirements, information on market developments, and new innovations in the market and in industries, etc.

Corporate culture and values

The culture at DFCC that has developed over the years is founded on the core values of being ethical, customer centric, innovative, professional, accountable, team orientated, and socially responsible. The training unit regularly conducts programmes to reinforce awareness of corporate values and behavioural expectations. Induction programmes too give emphasis to these aspects. In addition, the rewards and recognition mechanisms are designed to further emphasise and drive Bank values.

During the Annual Awards Night the new #TogetherWeGrow concept was launched emphasising the importance of collective professional development. Over the years, emphasis has been placed on ensuring an inclusive, open, and supportive work culture. Diversity of opinion is actively encouraged while access to senior management is freely available through the open-door policy adopted across the Bank. Bottom up communication is encouraged through varied mechanisms such as open days, Townhall meetings, the grievance committee, listening wall, etc.

The Bank’s values such as Customer Centricity and CSR received special focus this year with a separate Customer Experience Unit being set up and a Cross Functional Management Committee set up and chaired by the CEO to oversee the sustainability initiatives of the Bank. The Customer Experience Unit has introduced several initiatives to improve the professionalism and effectiveness of the services we offer.

The Sustainability Committee organised its initiatives at national, community, and organisational levels. At present, several initiatives are launched within the Bank with a monthly Dress-down Friday, No Single Use Friday, Clean-up-your-desk Friday, etc. Additionally, bulletins on minimising plastic usage and other sustainability-related information are regularly shared with the staff. Moreover, community development projects were also carried out by volunteers within the Bank during the year.

Business ethics and integrity

Ethical banking and integrity are part of our culture and ethos. We adhere to the highest levels of ethics and integrity in all our business dealings. In a business setting, being ethical means applying the principles of honesty and fairness to relationships across the Bank, whether it is with colleagues or customers. Thus, we promote the values of honesty, integrity, accountability, trust, loyalty, fairness, and respect for others as core requirements within the Bank’s operations.

In the event of a transgression of ethical behaviour, we have a Whistle-blowing Policy which outlines how employees can be reported to the HRD or the Audit Department. There are also several cross functional committees such as the Grievance Committee, Reachout Committee, and other systemic mechanisms to address such issues.

Digital infrastructure

Information technology remains crucial to the Bank’s ambition of becoming a leading digitally-enabled bank in the country within the next five years. We have made several strategic investments to improve on our digital capabilities and to fast forward our digital journey.

Core banking

In 2019, we invested in a new core banking system with a digital platform to replace the existing system to facilitate the digital-adoption process and to create a more agile platform to respond faster to the changing business environment.

Customer experience

The Bank launched the new website dfcc.lk with a mobile-first focus. The Bank also added CRM (Cash Recycle Machines) to its existing ATM network to provide its customers with a 24-hour cash deposit facility.

e-statements

Committing to sustainability, DFCC Bank launched an interactive credit card e-statement. This statement offers category-wise tracking of spending through graphical illustrations and allows cardholders the option to submit requests to convert transactions into flexi plans and offers a tab to dispute transactions with just a click on the statement itself.

DFCC “Virtual Wallet” app

“Virtual Wallet”, the flagship wallet application was upgraded with a sleek new design, utility bill payment option, and self-onboarding through debit cards in addition to a major security enhancement.

Card operations and remittances

DFCC-owned “Lanka Money Transfer” platform was connected to the LankaPay CEFT payment system providing our overseas customers the ability to transfer money to any Bank in realtime. The Bank also expanded services of the Payment and Cash Management System by integrating to CEFT which enabled corporate customers to transfer money online through the LankaPay CEFT switch.

DFCC Pay

Bank also launched its very own POS network with VISA and also launched the QR based mVISA mobile app “DFCC Pay” to make cashless, cardless payments.

Other initiatives

A new system was implemented to connect with LankaPay Online Payment Platform (LPOPP) this year that allows customers to make online payments to Sri Lanka Customs conveniently and securely through the Bank.

Further, ETF and EPF Departments were linked online which enables the Bank’s corporate customers to make ETF and EPF payments online.

Business processes and operational efficiencies

Streamlining and automating business processes to enhance operational efficiencies was one of the key focus areas of the Information Technology department. We completed our first Robotic Process Automation (RPA) process this year. We intend to introduce more RPA automations to address internal process bottlenecks in the years to come.

In addition, we introduced a number of automated workflows including the approval process for Personal Financial Services to enhance the service levels as well as reducing paper usage.

We introduced a debt recovery system to efficiently manage the debt recovery process as well as support customers with debt payment reminders. This system consolidates recoveries of all products on a single platform extending to legal action process.

We also implemented a system to automate calculation of incentive payments to the sales force to minimise human mistakes and to streamline the process. The IT department also launched a custom-built fixed asset tracking system to manage the total life cycle of fixed assets from procurement across the Bank.

Security, compliance, and infrastructure

We launched the VISA 3D secure platform (verified by VISA) which provides an additional security layer for online transactions by customers. Every online VISA credit card transaction is confirmed by the customer using a onetime password sent over the mobile network.

To enhance the overall security posture of the Bank, we implemented a File Integrity Monitoring (FIM) solution on its critical server infrastructure and a micro segmentation solution on the virtual server segments. An additional layer of security was implemented for privileged users by implementing a Privileged Access Management (PAM) during the year. A new Desktop Patch Management (DPM) solution was implemented to replace existing systems to effectively manage security patches which are now frequently being issued by various software vendors.

To manage and centralise promotional SMS being sent by various departments, we tied up with a leading Telco to provide a single platform to manage SMS with necessary controls.

Brand equity

The “Bank for Everyone” brand campaign which heightened the awareness levels across multiple segments helped DFCC Bank make a statement in the market to establish its positioning as a full-service commercial bank. The launch of numerous marketing campaigns on products and services were also carried out to reiterate this positioning.

The Bank took a bold step in associating with the much talked about New Zealand Cricket Tour of Sri Lanka for the DFCC Bank Cup. This partnership helped the brand to engage and relate to the cricket passionate populace creating high levels of brand recall for DFCC Bank through the immense mileage received as a result of the onsite and offsite media exposure.

The brand was supported by many above and below the line initiatives to drive products and their numerous propositions. Public Relations in the form of articles and interviews helped keep the brand top of mind.

The Bank also sought to increase its engagement on digital channels through continuous social media and online marketing initiatives. Notably, the first ever marketing campaign exclusively on digital channels was conducted for DFCC Personal Loan delivery. A range of digital marketing campaigns were carried out throughout the year to drive the assets and liabilities portfolio and credit cards acquisition and spending.

Top of mind recall for the brand was also aided by significant product launches witnessed during the year, further strengthening the bank’s positioning as a full-service commercial bank. There was a favorable impact towards the brand due to the positive word-of-mouth created by varied stakeholder groups.

DFCC Bank continued its engagement with the community by supporting numerous activities such as the *Avurudu* Festival in Nikaweratiya, *Mihinthala Aloka Pooja* and Jaffna Nallur Festival. Key partnerships with entities such as PIMA, Sri Lanka Army, CIMA, SLIM, CNCI and The Management Club were effected during the year.

With the aim of increasing brand visibility across the branch footprint, an innovative outdoor pylon signage was introduced to enhance top-of-mind recall for DFCC Bank. “DFCC MySpace” the self service banking concept was introduced at selected branches. A notable achievement in 2019 was the opening of 20 branches islandwide within 30 days, a milestone in the Bank’s history.

DFCC Bank for Everyone



In 2019, the Bank increased customer engagement via digital channels through social media and online marketing initiatives.

A number of qualitative and quantitative research studies were carried out during the year to gauge the awareness of the brand, customer segments, and the digital behaviour and trends of consumers.

The corporate website was revamped to enhance a fast click through, and the DFCC Virtual Wallet was relaunched to provide a user friendly experience. EMV chip-enabled DFCC Debit Cards were relaunched with Visa payWave contactless technology that allowed customers to experience the convenience of tap and pay and to perform secure online transactions.

Customer engagement programmes continued during the year to enhance customer interaction with selected customer groups such as the “*SahayaHamuwa*” and “*Vyaparika Hamuwa*” forums for Micro, Small and Medium Enterprises, and author forum during the 2019 Galle Literary Festival exclusively for premier clients.

Notable recognition and awards

	DFCC Bank's Brand Rating		
	Position	Rating	Value (Mn)
2019	25	A+	6,334
2018	27	A+	4,706
2017	39	A	1,660
2016	38	A-	1,684

Source – Brand Finance, The annual report on Sri Lanka's most valuable and strongest brands, published in May, 2019

DFCC Bank received recognition from the following bodies in 2019:

- Placed 25th in Brand Finance Top 100 Most Valuable Brands, 2019.
- Ranked 18th amongst Business Today's Top 30 businesses in Sri Lanka
- Ranked 30th in LMD's Top 100 (2018/19) by LMD Magazine in 2019

Anti bribery and corruption

The Bank follows a zero-tolerance approach to bribery and corruption. An Anti Bribery and Corruption Policy (ABC Policy) is in place which is monitored by the Fraud Risk Management Committee (FRMC). The FRMC regularly reviews the policy content to ensure comprehensiveness and relevance, and carefully scrutinises operations. This policy compels all staff members to follow and abide by all relevant laws and regulations connected with bribery and corruption and further prohibits them from transacting with individuals who are vulnerable or known for bribery and corruption.

The Employee Handbook explicitly prohibits political affiliations, contributions, and promotions whilst having a regulation on receiving or offering gifts with an exact threshold for receiving gifts. Further, the ABC policy prohibits facilitation payments of any sort by DFCC employees in getting work done.

The Bank has specific training programmes to educate its employees on the need to prevent bribery and corruption. Further, the Bank has a whistle-blowing platform for employees to report any wrongdoing confidentially.

The Board sets an example from the top under the FRMC policy that contributes to prudent and transparent corporate governance.

Compliance

DFCC Bank conforms to all relevant environmental and other statutory laws and regulations. There were no incidents of non-compliance with regards to the Bank's operations, marketing, labelling, loss of customer data, and other processes recorded within the year. Further, no fines were imposed or paid for non-compliance with regulations concerning the Bank's products and services during the year.