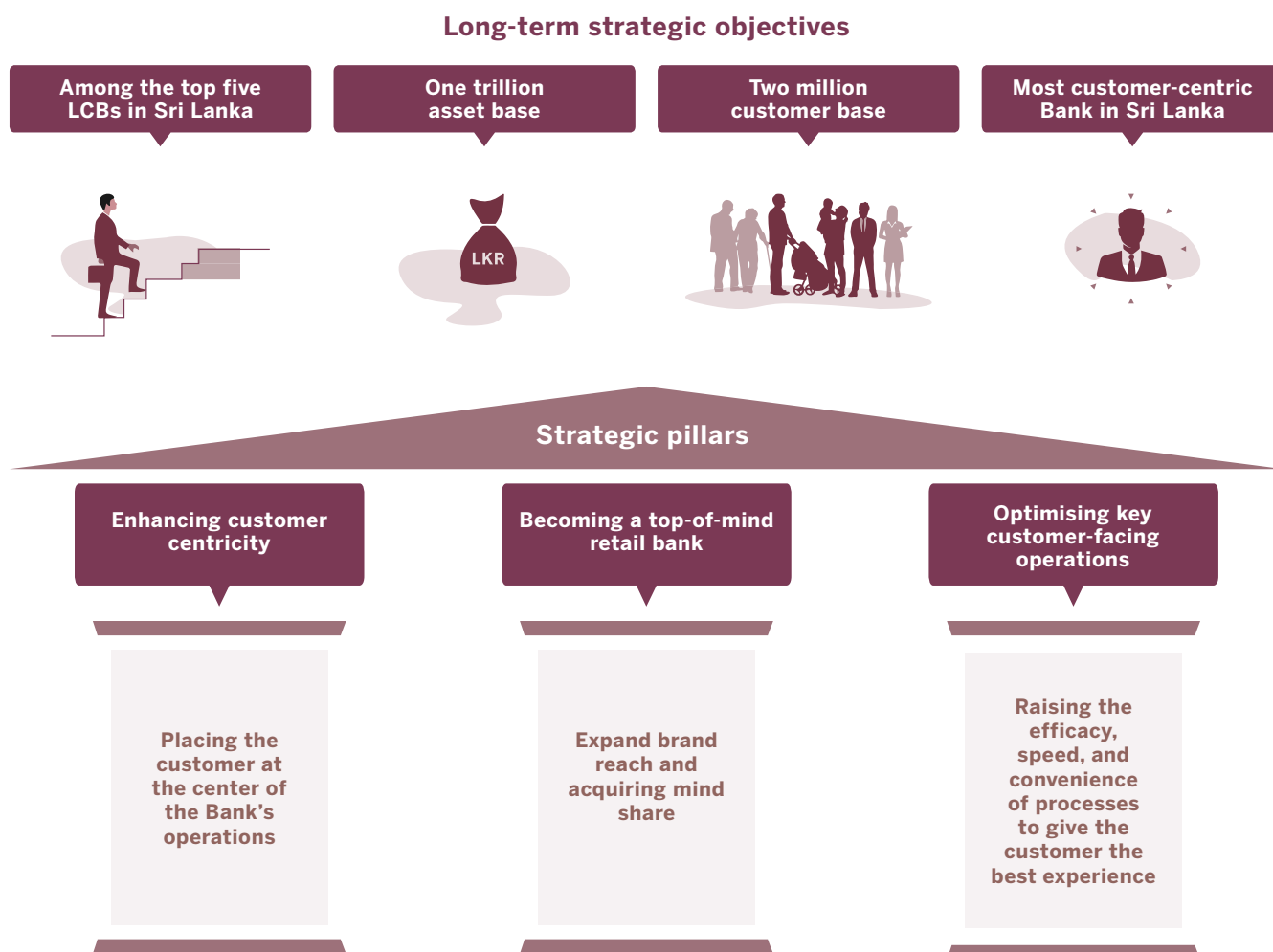


Strategic Direction and Outlook

DFCC's strategy is formulated to determine the direction and scope of the Bank over the short, medium, and the long term. Operating within a changing environment, we recognise the necessity of strong business planning and analysis to build a sustainable bank. Our strategy is formulated by analysing our business model, the market environment, our stakeholder relationships, and issues that are material to us. It also reflects our values and mission and contributes to improving risk management and corporate governance.

This year, we introduced a new strategic framework under the title Vision 2025. This new strategy clearly outlines our short to medium-term and long-term objectives of the Bank. The ambitious plan aims to realise the following long-term goals by 2025: to be among the top five LCBs in Sri Lanka; to achieve LKR 1 Tn asset base; to grow our customer base to two million; and to become the most customer-centric bank in Sri Lanka. With a view to realising vision 2025, the Bank will look to build three Strategic Pillars: Enhancing customer centricity; Becoming a top-of-mind retail bank; and Optimising key customer-facing operations.

Vision 2025



The Bank has invested in people, processes, and tools to facilitate, implement, and monitor these plans and ensure envisioned outcomes. The new core banking system to be launched in 2020 will complement these initiatives and augment the Bank's operational, digital, and data-related capabilities.

Enhancing customer centricity

Segmenting SME/Retail customers to identify different value propositions and designing targeted marketing campaigns, designing bundled products, initiatives for SME, and establishing a BI Unit are some of the focal areas of action with a view to enhancing customer centricity.

Becoming a top-of-mind retail bank

In order to become a top-of-mind retail bank, DFCC plans to take many steps including identifying appropriate digital and non-digital mechanisms to build top-of-mind impressions, developing a pool of highly skilled financial advisers/relationship managers for the high-value segment, as well as formulating a structured and strategic CSR plan to integrate social, environmental, ethical, human rights, and consumer needs into business operations.

Optimising key customer-facing operations

In terms of optimising key customer-facing operations, we intend to review the credit disbursement process to improve agility while maintaining quality standards, launch a contact centre to handle inbound and outbound operations (sales, service, and collections), assess and implement a CRM system among other plans to achieve this objective.

Strategic outlook

DFCC intends to expand its service offering on multiple fronts to establish new customer relationships, capture market share, and raise operational standards.

In the retail banking space, planned product initiatives and campaigns will commence in 2020 to serve customer segments such as young professionals, the affluent middle class, and the established high-income segment. Long-term relationships with these target segments will lead to mutually-beneficial banking outcomes. In the quest to achieve low-cost deposit mobilisation, these planned retail campaigns will be the stepping stones.

The Bank will continue to build its SME and MSME clientele by identifying worthy customers in growth sectors, cultivate relationships, and spread insight through seminars and workshops. The Bank is also upgrading its premier offering with a brand and propositional upgrade to be unveiled next year. DFCC will endeavour to improve its standing in the affluent space in the near term and beyond.

In order to achieve the goals outlined in Vision 2025, the Bank will invest in a dedicated BI Unit, scheduled to start next year. The preliminary work of resource allocation and deliberation on the formation of the Unit are being done. Once operational, the Bank will look to fully capture and act on the rich business, customer, and transactional data that can be capitalised on to drive product development, sales growth, and relationship management.

Corporate Banking will expand its offering by entering overseas markets, focusing more on export opportunities and driving sales of a variety of asset and liability products to appropriate customer segments. The Bank will adopt a focused approach to client relationships by streamlining relationship management with clients involved in multiple businesses.

There will be continued emphasis on promoting sales of varied product offerings to clients like cards, bancassurance, remittances, and trade financing to complement the sales of loans and deposits. The Bank intends to further strengthen its engagement with stakeholders both internal and external. Managing people and processes is important to DFCC's internal stakeholder management. There will be continued investments in employees to cultivate a culture of personal development. Building efficient end-to-end processes across the front, middle, and back office departments will be a management imperative. As external engagement stands, elevating standards of customer service and reliably fulfilling customer needs through technology is an area of importance. As a regulated Bank, we will continue to be responsible stewards of our balance sheet, thereby contributing to the health of the country's financial system.

Our goal is to be the data-driven and digitally-enabled Banker of choice known for our customer centric model of providing solutions.