

About this Report



This Integrated Annual Report serves as a disclosure of our strategy, governance, performance and prospects and how they help to create sustainable value within our operating environment.

Value Creation and Capital Formation

The value an organisation creates for its stakeholders and the ability of the organisation to create sustainable value for itself are mutually dependent activities – the more value the organisation creates, the more value it is able to create for itself. Therefore, firms spend substantial resources on creating and maintaining relationships with their stakeholders.

Value creation leads to capital formation. Capital is generally defined as wealth in the form of money and assets. In integrated reporting, capital takes on a broader definition: the resources and relationships used and affected by an organisation. We identify capital that is held by the organisation as being ‘internal’ capital, and capital not held by the organisation as ‘external’ capital. The aspect of ownership is irrelevant here as long as the organisation has access to and uses all forms of its capital to create sustainable value for itself and its stakeholders.

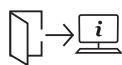
The structure of our Management Discussion and Analysis is based on value creation and capital formation.

Comprehensive and Yet Concise

Continuing with the approach to reporting adopted in the last three years, this Report balances the need to communicate effectively through concise, relevant information (to a large and diverse stakeholder group), while at the same time providing comprehensive compliance-related disclosures (that would interest only a few). We are thus presenting our Annual Report 2017 in three primary formats:

- A concise report (what you are now reading) in print and CD formats which meets compliance requirements while communicating with an audience looking for the essentials in an easily digestible format;
- A comprehensive report for a universal audience in online HTML format [<http://dfcc2017.annualreports.lk>] that includes our ‘Perennial Compendium’ feature, that tracks activities throughout the year which are relevant to our investors and stakeholders; and
- A condensed ‘annual snapshot’ in print and PDF formats that communicates across a broad spectrum of current and potential stakeholders.

Going beyond conventional reporting, we have implemented the latest Global Reporting Initiative (GRI) Standards format for reporting, an update to the GRI G4 format used in our previous annual reports. We continue to update our corporate website with a focus on investor relations, supplemented by an investor relations app for smart phones and other devices.



SCAN to view the online version
<http://dfcc2017.annualreports.lk>

Reporting Period

DFCC Bank Annual Report for 2017 covers the 12-month period from 1 January 2017 to 31 December 2017. The previous annual report covered the 12-month period from 1 January 2016 to 31 December 2016 and is available on the Bank website (www.dfcc.lk). One of the Group entities have a 31 March financial year-end and they are consolidated with DFCC Bank's reporting period with a three-month time lag. A summary of the accounting periods covered by the Statement of Profit and Loss and Other Comprehensive Income in the Bank and the Group columns is given in the Financial Reports (page 153).

Report Boundary

Our reporting covers DFCC Bank PLC ('DFCC Bank' or 'Bank') and the DFCC Bank Group ('Group') comprising the Bank and its subsidiaries, a joint venture company and an associate company. The respective entities are duly identified where applicable.

Compliance

As declared on page 149, the Board of Directors of DFCC Bank, in the spirit of good governance, accepts responsibility for the entirety of this Annual Report 2017.

The information contained herein, as in the past, is in compliance with all applicable laws, regulations, and standards. Additional details are given in the Corporate Governance Report (page 111), Financial Statements and Notes thereon (page 152) and the Independent Auditors' Report (page 151).

In addition, we have drawn on concepts, principles and guidance from the GRI Standards, the International Integrated Reporting Framework and the Smart Integrated Reporting Methodology™ in producing this Report.

Precautionary Principle

We take due cognisance of the social and environmental consequences of our actions, both direct and indirect. The latter are more significant and they arise from our lending operations, which are addressed through credit policies, the Social and Environmental Management System (SEMS), post-disbursement supervision, and risk management processes.

Comparability

The basis for reporting on subsidiaries, joint ventures and other entities, leased facilities, outsourced operations as well as any restatements and significant changes from previous reporting periods in the scope, boundary or measurement methods are disclosed where appropriate. They are in compliance with the reporting standards disclosed in the Financial Reports.

Queries

We welcome your comments or questions on this Report. You may contact the Company Secretary at our Head Office via post or email through the contact details given under Corporate Information.