

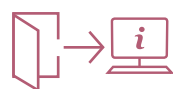
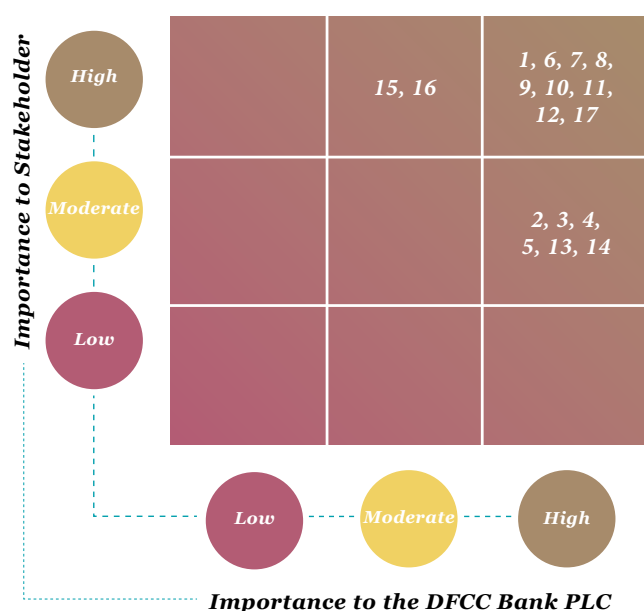
Materiality

Materiality and Value Creation

Materiality is about what matters most to our stakeholders and to the business operations of our Bank. These are economic, social and environmental topics and aspects that are of most concern to our stakeholders that may in turn impact our ability to create sustainable value. Hence, we take all such topics and aspects into consideration when formulating our strategic direction and strategic priorities. These aspects are analysed from the perspectives of importance to our stakeholders and importance to the Bank. An aspect is important (material) if it is both relevant and significant. Significance takes into account the magnitude of the impact as well the probability of its occurrence.

Materiality Matrix

Based on the materiality analysis, we have identified the aspects that are of importance to stakeholders and of importance to the Bank in the context of our economic, social and environmental agenda for sustainable value creation. To aid analysis and focus, these aspects have been mapped in a two-dimensional materiality matrix shown below, using GRI G4 Sustainability Reporting Guidelines. The insights from the materiality analysis and the materiality matrix help us in charting our course of sustainable value creation.



Details of the GRI content index are given in the online report
[<http://dfcc2015.annualreports.lk>]

No.	Category/Aspect
Economic	
1.	Economic performance
2.	Indirect economic impacts
Environmental	
3.	Energy
4.	GHG emissions
5.	Products and services
Social: Labour Practices and Decent Work	
6.	Employment
7.	Occupational health and safety
8.	Training and education
9.	Diversity and equal opportunity
10.	Equal remuneration for women and men
11.	Labour practices grievance mechanisms
Social: Human Rights	
12.	Non-discrimination
Social: Society	
13.	Local communities
14.	Anti-corruption
Social: Product Responsibility	
15.	Product and service labelling
16.	Marketing communications
17.	Customer privacy

*Detailed GRI content Index will be online.

Management Approach

Through thoughtful execution of a judiciously devised set of strategies, the Bank and the Group aim to generate and deliver value to all the stakeholders and derive value in turn from them, thereby achieving strategic goals to ensure sustainability of the Bank's and Group's operations. In the process, we build lasting relationships with customers, offer mutually rewarding careers to employees, generate steady returns for investors, establish profitable partnerships with business partners while dealing responsibly with the society and the environment.

Accordingly, the Management Discussion and Analysis that follows details our initiatives during the period under review to deliver value to the stakeholders and the value derived in turn for ourselves. They are accumulated in the form of internal and external capitals, all in the context of the operating environment and the strategic direction detailed above.