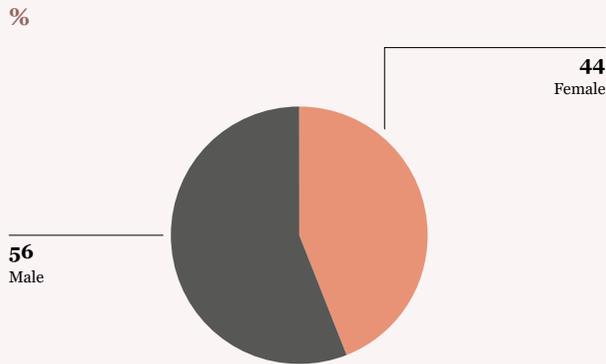


Employee Capital

DFCC Bank's Human Capital base grew by 5.1% in 2018 to 1,860. The growth was due to requirements in new business areas such as MSME, cards, and payments and cash management. Rapid growth in the retail business segment also required increased resources in sales and processing areas. Gender distribution remained at 56:44 (male to female) and age distribution saw 48.2% of employees under 30 years of age.

Staff distribution by gender



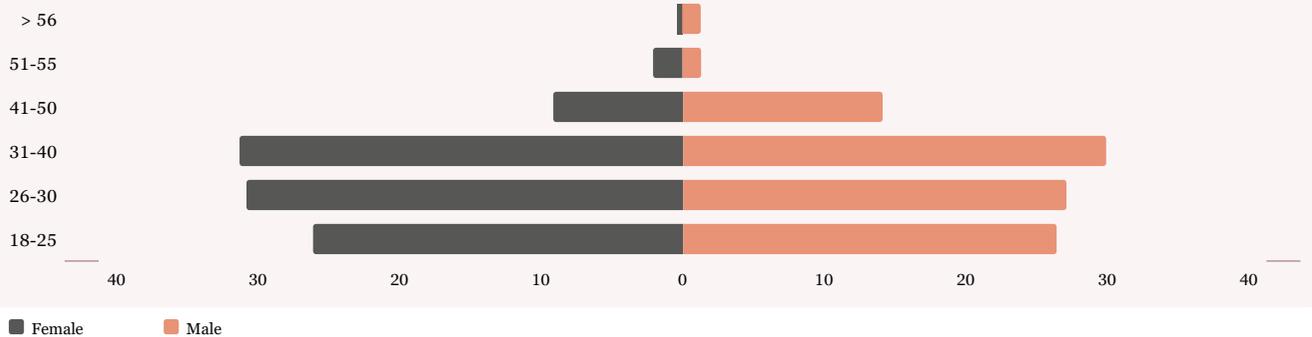
New hires by province

| Province | Total |
|---------------|------------|
| Central | 16 |
| Eastern | 12 |
| Northern | 5 |
| North-Central | 11 |
| North-Western | 10 |
| Sabaragamuwa | 26 |
| Southern | 26 |
| Uva | 14 |
| Western | 173 |
| Total | 293 |

**Staff rejoining after retirement have been excluded*

Age pyramid

Years



The Western Province continued to account for the largest number of employees, which was 56.8% of the Human Capital base. The Southern and Central Provinces accounted for 9.6% and 7.8% of the Human Capital base respectively.

Total workforce by region and gender

| Province/Departments and other business units | 2018 December | | | | Total |
|---|---------------------|---------------------|------------|------------|--------------|
| | Number of employees | | Male | Female | |
| | Number of branches | Number of SLP units | | | |
| Central | 13 | 2 | 95 | 50 | 145 |
| Eastern | 8 | 2 | 54 | 19 | 73 |
| Northern | 6 | 0 | 36 | 23 | 59 |
| North-Central | 7 | 2 | 57 | 24 | 81 |
| North-Western | 10 | 1 | 55 | 44 | 99 |
| Sabaragamuwa | 11 | 4 | 62 | 38 | 100 |
| Southern | 16 | 7 | 110 | 69 | 179 |
| Uva | 7 | 2 | 48 | 19 | 67 |
| Western | 33 | 7 | 209 | 194 | 403 |
| Total | 111 | 27 | 726 | 480 | 1,206 |

| | Number of units | Male | Female | Total |
|--------------------------------------|-----------------|------|--------|-------|
| Departments and other business units | 80 | 308 | 346 | 654 |

Happiness and well-being

As part of efforts to maintain the health and well-being of the Bank's employees, many new initiatives were implemented to encourage and provide staff with the means to do so during the year under review. Initiatives included the provision of subsidised and discounted health screening packages for employees and their families, discounted access to online health advisory

services, health camps, varied fitness programmes such as yoga, zumba, hikes, intensive boot camps, and pedometer challenges.

In keeping with the Bank's core values of social responsibility, employees were provided with opportunities throughout the year to contribute to the wider community through initiatives such as an annual blood drive, a sustainable living programme in outstation schools, donation of specialised medicines to the bone marrow transplant unit of the Maharagama *Apeksha* Hospital, tree planting programmes island-wide and an HIV assistance programme, amongst others.

The DFCC Talent Show, held at the *Nelum Pokuna*, was revived in 2018 after an 11-year hiatus. The event was incredibly successful with over 1,100 people attending the show to witness the showcasing of home-grown talent.

Other engagements on the Bank's social calendar included activities to celebrate Women's Day, the International Day of the Girl Child, World Mental Health Day, Cancer Awareness Month, as well as more festive celebrations such as Vesak and Halloween which saw competitions for department decorations. Highlights of the year included a subsidised three-day trip to Bali, the Dinner Dance, an *Avurudu Pola*, Halloween and Christmas parties, Christmas carols, *Bakthi Gee*, and Sports Day. Additionally, the DFCC REDS, a group representing the young executives of the Bank, conducted a series of events in 2018 targeted at engaging the Bank's millennial employees who make up 58% of the workforce.

Parental leave

Female employees at DFCC Bank are entitled to parental leave.

| Indicator | Male | Female | Total |
|---|------|--------|-------|
| Number of employees entitled to parental leave during the previous reporting period (2017) | n/a | 779 | 779 |
| Number of employees who took parental leave and due to return in 2018 | n/a | 54 | 54 |
| Number of employees who returned to work after parental leave in 2018 | n/a | 53 | 53 |
| Employees who returned to work out of those due to return during 2018 | n/a | 98% | 98% |
| Number of employees due to return to work after parental leave in 2017 | n/a | 58 | 58 |
| Number of employees who returned to work after parental leave in 2017 | n/a | 56 | 56 |
| Employees who returned to work out of those due to return in 2017 | n/a | 97% | 97% |
| Number of employees who returned to work after parental leave in 2017, who were still employed 12 months after return to work | n/a | 54 | 54 |
| Retention rate | n/a | 93% | 93% |

Avenues for communication

Constant communications were held with employees around the year focusing on acceptable and encouraged workplace behaviour. Classroom sessions on leading by example and inculcating professional and ethical behaviours amongst subordinates were conducted for supervisors. Furthermore, multiple mechanisms are in place for employees to raise concerns.

A Grievance Committee, made up of cross-functional employees, is accessible by all employees for raising concerns. In 2018, the Committee was broad-based to increase junior level representation. The “Reach Out” programme continued to provide support for female employees, enabling them to raise professional or personal difficulties and seek advice. Senior Management was also encouraged to interact with their indirect subordinates in one-on-one “skip level” sessions to provide an avenue for junior employees to raise ideas and concerns. Moreover, the Bank practices an open-door policy which facilitates all employees having easy and direct access to Management at all levels, including the CEO. Dedicated and confidential phone lines are in place for employees to directly get in touch with the Chairman and CEO for whistleblowing or conveying their grievances. Periodic “open days” are also organised for the same purpose. The Human Resources Department conducted initiatives throughout the year, including the Business Partner programme, and regular branch visits for one-on-one engagement with employees.

In 2018, six incidents were reported under the “Reach Out” programme and 19 to the Grievance Committee. All incidents were investigated, addressed, and officially closed.

Learning and growth

DFCC Bank continues to invest time and resources in the professional and personal development of its staff, providing them with the relevant knowledge, competencies, skills, and exposure that can help them unleash their potential.

The Bank’s annual training plan, formulated through feedback from development plans, focus group discussions and inputs from business heads, encompassed a variety of technical and soft skills programmes as well as regulatory-focused skilling opportunities. Employees were also able to take advantage of individually targeted training and coaching opportunities, job rotations, special projects and enrichment opportunities, based on their individual development and advancement requirements.

In 2018, 6,794 participants attended 425 programmes. 175 of these programmes were organised in-house utilising both internal and external resource persons. A total of 73,040 learning hours were accumulated during the year. The e-learning platform proved to be a popular learning tool amongst the Bank’s regionally dispersed workforce, with 11,655 participants recording 16,396 learning hours during the year. 90% of respondents in an annual survey rated the platform as “very satisfactory”.

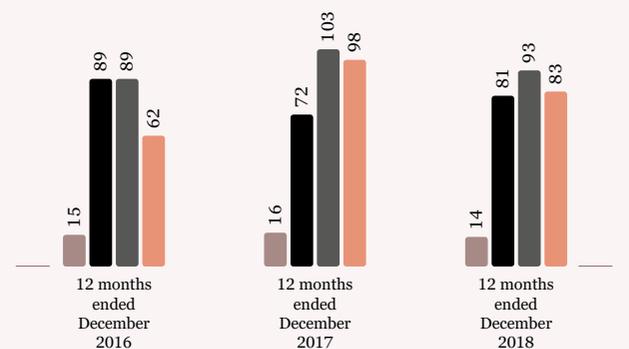
Multiple career development programmes are in place that target individuals at different stages of career progression. The “Ascension” programme focuses on preparing high-potential employees to take on higher level roles and had 45 participants during the year; five participants successfully went on to take on higher job responsibilities. The “Rise” programme focuses on individuals who are facing performance difficulties and had 18 participants undergoing varied development measures. A programme is also in place to assist and monitor the performance of junior level employees who have changed job roles to ensure that assistance is available to them as they adapt to their new functions. 25 participants are currently participating in this programme and 18 participants have successfully exited the programme after reaching expected competency levels.

Resourcing

The employee base grew by 293 in 2018 due to the continued expansion of the branch network and introduction of new business offerings and services. 72.4% of new recruits were for junior level positions. The Bank aims to promote staff internally to management level positions, however, seven management level recruitments were done during the year for positions where internal skills were not available. 61.4% of new hires were sourced for expansion of the branch network, with 10 new branches being opened during the year.

Number of staff promoted to higher levels

Nos.



■ Management ■ Executive ■ Supervisory ■ Junior staff

New hires by age group and gender

| Grade | New employees joining in the current financial year | | | | | | |
|-------------------|---|---------------------|----------------|------------|------------|------------|------------|
| | Age group | | | | Gender | | |
| | Less than 30 years | Between 30-50 years | Above 50 years | Total | Male | Female | Total |
| Management | 0 | 6 | 1 | 7 | 6 | 1 | 7 |
| Executive | 15 | 37 | 1 | 53 | 42 | 11 | 53 |
| Supervisory staff | 9 | 12 | 0 | 21 | 14 | 7 | 21 |
| Junior staff | 204 | 7 | 1 | 212 | 118 | 94 | 212 |
| Total | 228 | 62 | 3 | 293 | 180 | 113 | 293 |

*Staff rejoining after retirement have been excluded

Many external engagements were conducted during the year as part of efforts to highlight the Bank's brand as an employer of choice. The Bank participated in career fairs, held walk-in interview programmes, engagements and presentations at schools and universities, and offered undergraduate and school leaver internship programmes as well as a structured Advanced Level Scholarship Scheme.

103 permanent employees voluntarily resigned from the Bank during the year; 37.9% of whom were junior staff. The Operations Risk Management Committee reviews attrition data on a quarterly basis, and feedback obtained from exit interviews with departing staff members is given to supervisors and remedial action taken, if necessary. Some of the main reasons for exits during 2018 were migration and career progression.

Turnover

| Grade | Number of employees who resigned* | | | | | | |
|-------------------|-----------------------------------|---------------------|----------------|------------|-----------|-----------|------------|
| | Age group | | | | Gender | | |
| | Less than 30 years | Between 30-50 years | Above 50 years | Total | Male | Female | Total |
| Management | 0 | 4 | 0 | 4 | 4 | 0 | 4 |
| Executive | 10 | 36 | 0 | 46 | 35 | 11 | 46 |
| Supervisory staff | 7 | 7 | 0 | 14 | 9 | 5 | 14 |
| Junior staff | 33 | 6 | 0 | 39 | 23 | 16 | 39 |
| Total | 50 | 53 | 0 | 103 | 71 | 32 | 103 |

* Permanent employees, excluding terminations/retirements/contract expiries

Retention

| | 2018 | | | |
|--------------|--------------------|---------------------|------------|-------------|
| | Total new recruits | Employees that left | Retained | Retention % |
| Management | 7 | 1 | 6 | 86 |
| Executive | 52 | 3 | 49 | 94 |
| Supervisor | 21 | 0 | 21 | 100 |
| Junior staff | 211 | 24 | 187 | 89 |
| Total | 291 | 28 | 263 | 90 |

*Excludes contract expiries and terminations

Appreciation and rewards

DFCC Bank considers recognition and appreciation to be pivotal in engaging and motivating employees. Multiple initiatives were conducted during the year, including the Annual Awards Night held at the Hilton Colombo Residencies, which recognises high achievers in various

fields, and an awards ceremony during the Bank's Annual Dinner Dance. A sales convention was held in Negombo in April and was attended by 127 members of the Bank's sales force from across the island, where they actively engaged with each other and shared ideas. The "Leaders Club" was a new initiative introduced during the year, where high achievers in the sales field were recognised. Those from the salesforce who exceeded their targets by 200% enter the club and receive an elite badge along with special recognition and development opportunities. 2018 saw 21 employees receiving entry into the club.

The "Rewarding Excellence" programmes and other regional and department employee appreciation schemes are held to ensure that employee achievements are recognised and appreciated. An annual budget is provided to every department and branch to assist with team building activities, and they are encouraged to appoint a social director within their units to drive and organise unit level celebrations and social activities. This resulted in more employee social interaction and an integrated team culture.

Benefits provided to full-time employees

| Employment type | Housing loan | Vehicle loan* | Exam* | Professional subscription* | Social club gymnasium* | Miscellaneous/ staff loan | Festival advance** | MBA loan | Holiday grant*** |
|-----------------|--------------|---------------|-------|----------------------------|------------------------|---------------------------|--------------------|----------|------------------|
| Permanent | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Contract | x | x | x | x | x | x | x | x | x |

* Executive Trainees and Management Trainees on fixed term contracts will also be provided

** Only for Non-Executive staff

*** Based on the offer of employment, may also be provided to contract staff