

KEY FACTS DOCUMENT

COMMERCIAL FACILITIES

Product	Product Description	Financial and Other Benefits	Procedures to be followed	Major terms and conditions
Term Loans	Long-term funding requirements to meet CAPEX or WC requirements of the businesses. (Excluding Project Financing)	This product would meet the long-term funding gaps for the businesses	1. Contact the Head of Relevant BU / relevant Relationship Manager regarding the required facility.	Following are the standard norms of lending facilities. However, these will vary depending on the nature of the Product and the client's risk profile. 1. Turnover threshold: Clients with an annual turnover of LKR 1,000 million (audited) and above will be considered corporate customers. 2. Interest Rate: Based on the current market rates and the risk return on the agreed tenor. (https://www.dfcc.lk/interest-rates/lending-rates/) Interest Rates for Money Market Facilities, Facilities backed by treasury bills/bond shall be determined based on prevailing market rates when offering facilities.
Short-term Loans	To Finance short-term (less than 12 months) CAPEX/WC requirements.	This product would meet the short-term funding gaps for the businesses	2. Depending on the requirement, appropriate facility type is to be negotiated and relevant documents such as Financials, Project Feasibility study and approvals obtained from relevant authorities, collateral documents and other relevant documents are to be submitted to the Bank as informed by the relevant relationship manager.	
Project Financing	Long-term loans are used to finance the capital requirements of new projects or expansions.	This product would meet the long-term funding gaps for the projects intended to be implemented by customers		
Overdraft	Overdraft facilities for working capital management and administrative purposes	Enables the client to manage Working Capital/Administrative expenses/Cash flows, required for manufacturing and trading activities for both import and exports clients	3. Bank Officials would then review the feasibility report, acceptability of collateral and relevant documents and request clarifications if required.	

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Trade related cheque discounting facilities	To finance working capital requirements mainly due to extended credit terms offered to customers.	Enables the client to manage Working Capital/Administrative expenses/cash flows, required for manufacturing and trading activities for both import and exports clients	4. Based on the information provided by the client, the Relationship Manager will inform the client regarding the facility amount, Interest rate, Security and other terms and conditions as an indicative offer and if the client agrees in the same detail, due diligence will be done and the proposal will be forwarded for the approval of the relevant authority. (However, depending on the facility type, amount and the nature of the required, initial clearance will be obtained from the Credit Committee before starting the detailed due diligence.) 5. The time taken for the due diligence will vary depending on the complexity of the project and the level of information forwarded by the client.	3. Fees: Based on the Standard Tariffs of the Bank. (https://www.dfcc.lk/interest-rates/lending-rates/) 4. Tenor: As per the business requirement and cashflows. 5. Repayment: As per the agreed tenor. 6. Security: This will depend on the nature of the business, risk profile and the security offered to other banks. In general: Fixed Deposits and cash build up, Mortgage over Stocks and Book Debts, Mortgage over Movable and Immovable property, Personal and Corporate Guarantees, etc.
Short-term Revolving Loans	To finance the working capital of a business which is in revolving nature.			
Money Market Facilities	To meet any immediate short-term cash needs of a corporate enterprise.			
Packing Credit Loans	Pre-export financing for exporters to purchase raw materials and related processing expenses in relation to export of goods.			
Bill Purchasing	Advancing funds to clients against the export documents, i.e. until the receipt of funds are received from the buyers.			
Letters of Credit	Opening letters of credit to import raw materials, machinery and related items			

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Import loans	Loans to finance imports	Enables the client to manage Working Capital/Administrative expenses/cash flows, required for manufacturing and trading activities for both import and exports clients	6. Facility Offer letter / contract would be forwarded for acceptance by the client upon completion of the due diligence and obtaining approval from the relevant authority.	7. The following criteria must be met to be classified as a project loan. Loan Amount - Rs.25 Mn and above Purpose - CAPEX
Guarantees	Issuance of guarantees for Customs (Shipping Guarantees) & Tender procedures (i.e. Bid bonds, Advance Payment Guarantees and Performance Guarantee)	To secure contracts and manage import duty	7. Disbursement would be done at agreed milestones and on agreed Debt:Equity ratio upon execution of the legal/security documents. 8. Bank officers may visit the project site/company at various stages of the due diligence.	Repayment - Relies primarily on the investments/project's cash flow for repayment The Project Period is to be clearly defined with start and completion dates.
Forex	Foreign Exchange forward contracts, Swaps and other Forex products	To hedge the risk of fluctuation of foreign currencies and interest rates.	9 . A FCY loan should be repayed in FCY.	Tenure - More than 1 Year Disbursement -Staggered loan disbursements
Facilities against Treasury Bills / Treasury Bonds	Loans & overdrafts against Treasury Bills / Treasury Bonds	The facility can be obtained up to 80% of the discounted value of Treasury Bills. For Treasury Bonds, the Bank's prevailing policy will apply.	10. Where the property is held as collateral for the borrowing, the Bank shall obtain a valuation of such property from a valuer selected in terms of the Prudential Regulations issued under the Banking Act, before granting the loan.	Security - Loan to be secured against the subject project property OR from any other collateral deemed suitable and approved by the respective approving authority. Commitment Fees applicable.

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Margin Trading facilities	To invest in equity with borrowed funds from a financial institution. This is made possible by pledging the securities as approved by the CBSL	Margin Trading allows an individual to take advantage of a bull market or a strong stock by giving the leverage to the investment portfolio, which could enhance the potential profitability of the portfolio.		
MSME Loans	Assessing the potential of “Small Business Enterprises” & “Start up Businesses” and nurturing them with required financial assistance and bridging their knowledge gap with a view to uplift them to SMEs.	MSME loans provide financial assistance to “Small Business Enterprises” & “Start up Businesses” and bridge their knowledge gap to uplift them into SMEs. Also the clients can obtain loans under available MSME loan schemes at lower interest rates.		
Loan Syndication	To arrange a consortium (‘club’) of banks who will contribute to a large, single-term loan facility usually for a significant development project. By this means, the participating banks may stay within their respective exposure limits.	DFCC may act as the Lead Bank or Arranger or participate in the consortium on behalf of its client - the borrowing company and contribute to a syndicated loan based on a common facility agreement. Such loans are typically larger than the participating banks’ exposure limits, and the respective commitments may be equal or vary according to exposure /risk appetite.		

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Securitised Notes/ A loan that is backed by receivables other than mortgage loans	To raise medium-term funds (2 -4 Years) for a company from the capital market, typically for financing accounts receivable, inventories and meeting medium-term liabilities.	Securitisation is an arrangement whereby the title to a company's receivables is sold to a Special Purpose Vehicle (SPV), which issues notes to investors who finance the transaction. The cash flows from the receivables pass directly through the SPV to meet the interest and capital due on the notes. These receivables are usually a pool of financial assets such as mortgage-backed loans or leases and credit card receivables.		

Complaint Procedure

The following methods are available to customers to lodge complaints

- Through the Branch Manager or the Relationship Manager
- Through our Call Centre +94 11 235 0000
- Directly email the bank - info@dfccbank.com or customerservice@dfccbank.com
- Letter addressed to DFCC Bank Head Office at DFCC Bank P.O. Box 1397 or No.73/5, Galle Road, Colombo 3.

In the event a satisfactory solution is not provided by the bank, customer can escalate his/her complain to the office of the Financial Ombudsman of Sri Lanka

Mr. Ananda Kumaradasa
Financial Ombudsman
Office of the Financial Ombudsman
143A, Vajira Road,
Colombo 05.

Telephone: +94 11 259 5624

Telefax: +94 11 259 5625

Email: fosril@sltnet.lk

Website: www.financialombudsman.lk