



**Basel III - Disclosures Under Pillar III
As per the Banking Act Directions No.01 of 2016
(Unaudited)**

30th June 2019

Key Regulatory Ratios - Capital and Liquidity

| Item | 30.06.2019 | | 31.12.2018 | |
|---|------------|------------|------------|------------|
| | Bank | Group | Bank | Group |
| Regulatory Capital (LKR '000) | | | | |
| Common Equity Tier 1 | 33,228,139 | 32,177,090 | 31,633,211 | 32,106,706 |
| Tier 1 Capital | 33,228,139 | 32,177,090 | 31,633,211 | 32,106,706 |
| Total Capital | 48,368,810 | 47,317,761 | 47,203,364 | 47,676,859 |
| Regulatory Capital Ratios (%) | | | | |
| Common Equity Tier 1 Capital Ratio <i>(Minimum Requirement - 2018 - 6.375% and 2019 - 7.00%)</i> | 11.40% | 10.99% | 10.77% | 10.89% |
| Tier 1 Capital Ratio <i>(Minimum Requirement - 2018 - 7.875% and 2019- 8.50%)</i> | 11.40% | 10.99% | 10.77% | 10.89% |
| Total Capital Ratio <i>(Minimum Requirement - 2018 - 11.875% and 2019 - 12.50%)</i> | 16.60% | 16.16% | 16.07% | 16.17% |
| Leverage Ratio <i>(Minimum requirement is 3%)</i> | 7.20% | 7.00% | N/A | N/A |
| Regulatory Liquidity | | | | |
| Statutory Liquid Assets (LKR'000) | 90,729,553 | N/A | 74,659,159 | N/A |
| Statutory Liquid Assets Ratio (20%) | | | | |
| Domestic Banking Unit (%) | 25.96% | N/A | 22.24% | N/A |
| Off-Shore Banking Unit (%) | 36.14% | N/A | 44.36% | N/A |
| Liquidity Coverage Ratio (%) - Rupee <i>(Minimum Requirement - 2019 -100% and 2018 - 90%)</i> | 425.16% | N/A | 195.71% | N/A |
| Liquidity Coverage Ratio (%) - All Currency <i>(Minimum Requirement - 2019 -100% and 2018 - 90%)</i> | 200.46% | N/A | 113.49% | N/A |
| Net Stable Funding Ratio (%) <i>(minimum requirement 90%)</i> | 119.79% | N/A | N/A | N/A |

Basel III Computation of Capital Ratios

| Item | Amount (LKR '000) | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30.06.2019 | | 31.12.2018 | |
| | Bank | Group | Bank | Group |
| Common Equity Tier 1 (CET1) Capital after Adjustments | 33,228,139 | 32,177,090 | 31,633,211 | 32,106,706 |
| Common Equity Tier 1 (CET1) Capital | 39,927,906 | 42,847,793 | 38,041,191 | 40,961,078 |
| Equity Capital (Stated Capital)/Assigned Capital | 7,530,371 | 7,530,371 | 4,715,814 | 4,715,814 |
| Reserve Fund | 2,358,275 | 2,358,275 | 2,358,275 | 2,358,275 |
| Published Retained Earnings/(Accumulated Retained Losses) | 16,259,421 | 19,179,308 | 17,187,263 | 20,107,150 |
| Published Accumulated Other Comprehensive Income (OCI) | | | - | - |
| General and other Disclosed Reserves | 13,779,839 | 13,779,839 | 13,779,839 | 13,779,839 |
| Unpublished Current Year's Profit/Loss and Gains reflected in OCI | - | - | - | - |
| Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties | - | - | - | - |
| Total Adjustments to CET1 Capital | 6,699,767 | 10,670,703 | 6,407,980 | 8,854,372 |
| Goodwill (net) | - | 156,226 | - | 156,226 |
| Intangible Assets (net) | 696,042 | 711,431 | 668,834 | 686,288 |
| Others (investment in capital of banks and financial institutions) | 6,003,725 | 9,803,046 | 5,739,146 | 8,011,858 |
| Additional Tier 1 (AT1) Capital after Adjustments | - | - | - | - |
| Additional Tier 1 (AT1) Capital | - | - | - | - |
| Qualifying Additional Tier 1 Capital Instruments | - | - | - | - |
| Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties | - | - | - | - |
| Total Adjustments to AT1 Capital | - | - | - | - |
| Investment in Own Shares | - | - | - | - |
| Others (specify) | - | - | - | - |
| Tier 2 Capital after Adjustments | 15,140,671 | 15,140,671 | 15,570,153 | 15,570,153 |
| Tier 2 Capital | 15,140,671 | 15,140,671 | 15,570,153 | 15,570,153 |
| Qualifying Tier 2 Capital Instruments | 13,434,562 | 13,434,562 | 14,417,256 | 14,417,256 |
| Revaluation Gains | - | - | - | - |
| Loan Loss Provisions | 1,706,109 | 1,706,109 | 1,152,897 | 1,152,897 |
| Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties | - | - | - | - |
| Total Adjustments to Tier 2 | - | - | - | - |
| Investment in Own Shares | - | - | - | - |
| Others (specify) | - | - | - | - |
| CET1 Capital | 33,228,139 | 32,177,090 | 31,633,211 | 32,106,706 |
| Total Tier 1 Capital | 33,228,139 | 32,177,090 | 31,633,211 | 32,106,706 |
| Total Capital | 48,368,810 | 47,317,761 | 47,203,364 | 47,676,859 |

| | Amount (LKR '000) | | | |
|--|-------------------|---------------|---------------|---------------|
| | 30.06.2019 | | 31.12.2018 | |
| | Bank | Group | Bank | Group |
| Total Risk Weighted Assets (RWA) | | | | |
| RWAs for Credit Risk | 259,431,891 | 260,321,049 | 262,979,953 | 263,746,742 |
| RWAs for Market Risk | 16,620,423 | 16,620,423 | 14,903,582 | 14,903,582 |
| RWAs for Operational Risk | 15,412,754 | 15,798,727 | 15,940,116 | 16,228,641 |
| CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%) | 11.40% | 10.99% | 10.77% | 10.89% |
| of which: Capital Conservation Buffer (%) | 2.500% | 2.500% | 1.88% | 1.88% |
| of which: Countercyclical Buffer (%) | N/A | N/A | N/A | N/A |
| of which: Capital Surcharge on D-SIBs (%) | N/A | N/A | N/A | N/A |
| Total Tier 1 Capital Ratio (%) | 11.40% | 10.99% | 10.77% | 10.89% |
| Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%) | 16.60% | 16.16% | 16.07% | 16.17% |
| of which: Capital Conservation Buffer (%) | 2.500% | 2.500% | 1.88% | 1.88% |
| of which: Countercyclical Buffer (%) | N/A | N/A | N/A | N/A |
| of which: Capital Surcharge on D-SIBs (%) | N/A | N/A | N/A | N/A |

Computation of Leverage Ratio

| Item | Amount (LKR '000) | |
|--|-------------------|------------|
| | 30.06.2019 | 31.12.2018 |
| Tier 1 Capital | 33,228,139 | N/A |
| Total Exposures | 461,817,298 | N/A |
| On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral) | 391,751,745 | N/A |
| Derivative Exposures | 40,816,305 | N/A |
| Securities Financing Transaction Exposures | 1,536,968 | N/A |
| Other Off-Balance Sheet Exposures | 27,712,280 | N/A |
| Basel III Leverage Ratio (%) (Tier 1/Total Exposure) | 7.20% | N/A |

Computation of Net Stable Funding Ratio

| Item | Amount (LKR '000) | |
|---|--------------------|------------|
| | 30.06.2019 | 31.12.2018 |
| Total Available Stable Funding | 297,248,997 | N/A |
| Required Stable Funding - On Balance Sheet Assets | 243,892,173 | N/A |
| Required Stable Funding - Off Balance Sheet Items | 4,241,852 | N/A |
| Total Required Stable Funding | 248,134,024 | N/A |
| Net Stable Funding Ratio (%) | 119.79% | N/A |

Template 4
Basel III Computation of Liquidity Coverage Ratio - All Currencies

| Item | Amount (LKR'000) | | | |
|---|-------------------------|----------------------|-------------------------|----------------------|
| | 30.06.2019 | | 31.12.2018 | |
| | Total Un-weighted Value | Total Weighted Value | Total Un-weighted Value | Total Weighted Value |
| Total Stock of High-Quality Liquid Assets (HQLA) | 76,650,836 | 76,082,685 | 59,051,156 | 58,436,168 |
| Total Adjusted Level 1A Assets | 75,514,534 | 75,514,534 | 57,763,228 | 57,763,228 |
| Level 1 Assets | 75,514,534 | 75,514,534 | 57,763,228 | 57,763,228 |
| Total Adjusted Level 2A Assets | | | 82,790 | 70,372 |
| Level 2A Assets | | | 82,790 | 70,372 |
| Total Adjusted Level 2B Assets | 1,136,301 | 568,151 | 1,205,138 | 602,569 |
| Level 2B Assets | 1,136,301 | 568,151 | 1,205,138 | 602,569 |
| Total Cash Outflows | 359,904,796 | 73,834,261 | 348,143,975 | 75,603,272 |
| Deposits | 140,950,939 | 12,194,332 | 125,793,063 | 10,717,223 |
| Unsecured Wholesale Funding | 113,120,867 | 50,316,380 | 119,467,310 | 54,249,315 |
| Secured Funding Transactions | 2,578,260 | - | 5,874,993 | - |
| Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations | 99,920,214 | 7,989,033 | 93,785,071 | 7,413,196 |
| Additional Requirements | 3,334,516 | 3,334,516 | 3,223,539 | 3,223,539 |
| Total Cash Inflows | 51,600,909 | 35,880,568 | 35,061,571 | 24,115,047 |
| Maturing Secured Lending Transactions Backed by Collateral | 12,262,998 | 12,196,885 | 11,407,416 | 11,335,760 |
| Committed Facilities | 1,000,000 | - | 1,000,000 | - |
| Other Inflows by Counterparty which are maturing within 30 Days | 32,728,809 | 21,871,952 | 18,087,434 | 9,368,362 |
| Operational Deposits | 3,054,128 | - | 1,152,256 | - |
| Other Cash Inflows | 2,554,975 | 1,811,731 | 3,414,465 | 3,410,925 |
| Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) *100 | | 200.46 | | 113.49 |

Template 4
Basel III Computation of Liquidity Coverage Ratio - LKR Only

| Item | Amount (LKR'000) | | | |
|---|-------------------------|----------------------|-------------------------|----------------------|
| | 30.06.2019 | | 31.12.2018 | |
| | Total Un-weighted Value | Total Weighted Value | Total Un-weighted Value | Total Weighted Value |
| Total Stock of High-Quality Liquid Assets (HQLA) | 75,154,663 | 74,586,513 | 58,114,699 | 57,499,712 |
| Total Adjusted Level 1A Assets | 74,018,362 | 74,018,362 | 56,826,771 | 56,826,771 |
| Level 1 Assets | 74,018,362 | 74,018,362 | 56,826,771 | 56,826,771 |
| Total Adjusted Level 2A Assets | | | 82,790 | 70,372 |
| Level 2A Assets | | | 82,790 | 70,372 |
| Total Adjusted Level 2B Assets | 1,136,301 | 568,151 | 1,205,138 | 602,569 |
| Level 2B Assets | 1,136,301 | 568,151 | 1,205,138 | 602,569 |
| Total Cash Outflows | 274,499,860 | 49,237,572 | 252,398,912 | 45,858,939 |
| Deposits | 135,150,890 | 11,653,971 | 119,663,789 | 10,151,659 |
| Unsecured Wholesale Funding | 62,175,934 | 29,216,117 | 60,195,036 | 27,801,226 |
| Secured Funding Transactions | 2,578,260 | - | 5,874,993 | - |
| Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations | 71,980,862 | 5,753,569 | 63,555,764 | 4,796,723 |
| Additional Requirements | 2,613,914 | 2,613,914 | 3,109,330 | 3,109,330 |
| Total Cash Inflows | 42,546,110 | 31,694,369 | 24,177,696 | 16,478,234 |
| Maturing Secured Lending Transactions Backed by Collateral | 11,682,878 | 11,616,766 | 9,305,602 | 9,233,947 |
| Committed Facilities | 1,000,000 | - | 1,000,000 | - |
| Other Inflows by Counterparty which are Maturing within 30 Days | 28,376,744 | 19,334,359 | 13,865,013 | 7,240,746 |
| Operational Deposits | - | - | - | - |
| Other Cash Inflows | 1,486,487 | 743,244 | 7,081 | 3,541 |
| Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) *100 | | 425.16 | | 195.71 |

Main Features of Regulatory Capital Instruments

| Description of the Capital Instrument (Bank Only) | Stated Capital | Subordinated Term-debt (2015) | Subordinated Term-debt (2016 - Type A) | Subordinated Term-debt (2016 - Type B) | Subordinated Term-debt (2018 - Type A) | Subordinated Term-debt (2018 - Type B) |
|--|---|--|---|---|--|--|
| Issuer | DFCC Bank PLC | DFCC Bank PLC | DFCC Bank PLC | DFCC Bank PLC | DFCC Bank PLC | DFCC Bank PLC |
| Unique Identifier (e.g., ISIN or Bloomberg Identifier for Private Placement) | LK0055N00000 | C-2306 (ISIN LK0401D23066) | C-2366 (ISIN LK0055D23664) | C-2367 (ISIN LK0055D23672) | C-2393 (ISIN LK0055D23938) | C-2394 (ISIN LK0055D23946) |
| Governing Law(s) of the Instrument | Companies Act, No. 07 of 2007, Colombo Stock Exchange Regulations | Securities and Exchange Commission Act No. 36 of 1987 (as amended), Colombo Stock Exchange Regulations | | | | |
| Original Date of Issuance | May 1956 to May 2019 | 10th June 2015 | 9th November 2016 | 9th November 2016 | 26th March 2018 | 26th March 2018 |
| Par Value of Instrument (LKR) | | 100 | 100 | 100 | 100 | 100 |
| Perpetual or Dated | Perpetual | Dated | Dated | Dated | Dated | Dated |
| Original Maturity Date, if Applicable | N/A | 10th June 2020 | 9th November 2021 | 9th November 2023 | 29th March 2023 | 29th March 2025 |
| Amount Recognised in Regulatory Capital (in LKR '000 as at the Reporting Date) | 7,530,371 | 400,000 | 574,116 | 6,043,140 | 2,330,776 | 4,086,530 |
| Accounting Classification (Equity/Liability) | Equity | Liability | Liability | Liability | Liability | Liability |
| Issuer Call subject to Prior Supervisory Approval | | | | | | |
| Optional Call Date, Contingent Call Dates and Redemption Amount (LKR '000) | N/A | N/A | N/A | N/A | N/A | N/A |
| Subsequent Call Dates, if Applicable | N/A | N/A | N/A | N/A | N/A | N/A |
| Coupons/Dividends | | | | | | |
| Fixed or Floating Dividend/Coupon | Floating dividend | Fixed coupon | Fixed coupon | Fixed coupon | Fixed coupon | Fixed coupon |
| Coupon Rate and any Related Index (%) | N/A | 9.4 | 12.15 | 12.75 | 12.6 | 13 |
| Non-Cumulative or Cumulative | Non-Cumulative | Non-Cumulative | Non-Cumulative | Non-Cumulative | Non-Cumulative | Non-Cumulative |
| Convertible or Non-Convertible | Non-convertible | Non-convertible | Non-convertible | Non-convertible | Convertible | Convertible |
| If Convertible, Conversion Trigger (s) | N/A | N/A | N/A | N/A | Determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka, and is defined in the Banking Act Direction No. 1 of 2016 | Determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka, and is defined in the Banking Act Direction No. 1 of 2016 |
| If Convertible, Fully or Partially | N/A | N/A | N/A | N/A | Fully | Fully |
| If Convertible, Mandatory or Optional | N/A | N/A | N/A | N/A | Mandatory | Mandatory |
| If Convertible, Conversion Rate | N/A | N/A | N/A | N/A | Based on the simple average of the daily Volume Weighted Average Price (VWAP) of an ordinary voting shares | Based on the simple average of the daily Volume Weighted Average Price (VWAP) of an ordinary voting shares |

**Credit Risk under Standardised Approach -
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects**

| Asset Class | Amount (LKR'000) as at 30th June 2019 (Bank) | | | | | |
|--|---|--------------------------|----------------------------|--------------------------|-------------------------|-----------------------------|
| | Exposures before Credit Conversion Factor (CCF) and CRM | | Exposures post CCF and CRM | | RWA and RWA Density (%) | |
| | On-Balance Sheet Amount | Off-Balance Sheet Amount | On-Balance Sheet Amount | Off-Balance Sheet Amount | RWA | RWA Density ⁽ⁱⁱ⁾ |
| Claims on Central Government and CBSL | 97,435,749 | 176,475 | 97,435,749 | 3,530 | 1,900,761 | 2% |
| Claims on Foreign Sovereigns and their Central Banks | - | - | - | - | - | - |
| Claims on Public Sector Entities | 11,256,897 | 87,226 | 88,863 | 43,613 | 132,476 | 100% |
| Claims on Official Entities and Multilateral Development Banks | - | - | - | - | - | - |
| Claims on Banks Exposures | 14,846,916 | 66,726,332 | 14,846,916 | 1,342,938 | 4,589,168 | 28% |
| Claims on Financial Institutions | 11,879,998 | 750,400 | 11,879,998 | 375,400 | 6,573,942 | 54% |
| Claims on Corporates | 94,222,326 | 41,158,757 | 88,339,624 | 20,489,273 | 103,765,534 | 95% |
| Retail Claims | 41,626,034 | - | 31,760,209 | - | 24,153,537 | 76% |
| Claims Secured by Residential Property | 9,868,592 | - | 9,868,592 | - | 6,933,931 | 70% |
| Claims Secured by Commercial Real Estate | 81,262,650 | 1,659,613 | 81,262,650 | 1,659,613 | 82,922,263 | 100% |
| Non-Performing Assets (NPAs)(i) | 5,836,753 | - | 5,836,753 | - | 6,230,631 | 107% |
| Higher-risk Categories | 390,290 | - | 390,290 | - | 975,726 | 250% |
| Cash Items and Other Assets | 19,200,316 | 63,484,260 | 19,200,316 | 5,440,167 | 21,253,922 | 86% |
| Total | 387,826,521 | 174,043,063 | 360,909,960 | 29,354,534 | 259,431,891 | |

Note:

- (i) NPAs - As per Banking Act Directions on Classification of loans and advances, income recognition and provisioning
(ii) RWA Density - Total RWA/Exposures post CCF and CRM.

**Credit Risk under Standardised Approach -
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects**

| Asset Class | Amount (LKR'000) as at 30th June 2019 (Group) | | | | | |
|--|---|--------------------------|----------------------------|--------------------------|-------------------------|-----------------------------|
| | Exposures before Credit Conversion Factor (CCF) and CRM | | Exposures post CCF and CRM | | RWA and RWA Density (%) | |
| | On-Balance Sheet Amount | Off-Balance Sheet Amount | On-Balance Sheet Amount | Off-Balance Sheet Amount | RWA | RWA Density ⁽ⁱⁱ⁾ |
| Claims on Central Government and CBSL | 97,435,749 | 176,475 | 97,435,749 | 3,530 | 1,900,761 | 2% |
| Claims on Foreign Sovereigns and their Central Banks | - | - | - | - | - | - |
| Claims on Public Sector Entities | 11,256,897 | 87,226 | 88,863 | 43,613 | 132,476 | 100% |
| Claims on Official Entities and Multilateral Development Banks | - | - | - | - | - | - |
| Claims on Banks Exposures | 15,003,847 | 66,726,332 | 15,003,847 | 1,342,938 | 4,620,555 | 28% |
| Claims on Financial Institutions | 11,879,998 | 750,400 | 11,879,998 | 375,400 | 6,573,942 | 54% |
| Claims on Corporates | 94,319,362 | 41,158,757 | 88,436,660 | 20,489,273 | 103,862,570 | 95% |
| Retail Claims | 41,626,034 | - | 31,760,209 | - | 24,153,537 | 76% |
| Claims Secured by Residential Property | 9,868,538 | - | 9,868,538 | - | 6,933,904 | 70% |
| Claims Secured by Commercial Real Estate | 81,262,650 | 1,659,613 | 81,262,650 | 1,659,613 | 82,922,263 | 100% |
| Non-Performing Assets (NPAs)(i) | 5,836,753 | - | 5,836,753 | - | 6,230,631 | 107% |
| Higher-risk Categories | 419,626 | - | 419,626 | - | 1,049,065 | 250% |
| Cash Items and Other Assets | 19,896,243 | 63,484,260 | 19,896,243 | 5,440,167 | 21,941,345 | 87% |
| Total | 388,805,697 | 174,043,063 | 361,889,136 | 29,354,534 | 260,321,049 | |

Note:

(i) NPAs - As per Banking Act Directions on Classification of loans and advances, income recognition and provisioning

(ii) RWA Density - Total RWA/Exposures post CCF and CRM.

Market Risk under Standardised Measurement Method

| Item | RWA Amount (LKR'000) 30th June 2019 (Bank) | RWA Amount (LKR'000) 30th June 2019 (Group) |
|---|---|--|
| (a) RWA for Interest Rate Risk | 2,077,553 | 2,077,553 |
| General Interest Rate Risk | 1,533,496 | 1,533,496 |
| (i) Net Long or Short Position | 1,533,496 | 1,533,496 |
| (ii) Horizontal Disallowance | - | - |
| (iii) Vertical Disallowance | - | - |
| (iv) Options | - | - |
| Specific Interest Rate Risk | - | - |
| (b) RWA for Equity | 513,976 | 513,976 |
| (i) General Equity Risk | 305,938 | 305,938 |
| (ii) Specific Equity Risk | 208,038 | 208,038 |
| (c) RWA for Foreign Exchange & Gold | 30,081 | 30,081 |
| Capital Charge for Market Risk [(a) + (b) + (c)] * CAR | 16,620,423 | 16,620,423 |

**Operational Risk under Basic Indicator Approach/The Standardised Approach/The Alternative Standardised Approach
(Bank)**

| As at 30th June 2019 Business Lines | Capital Charge Factor | Fixed Factor | Gross Income (LKR'000) | | |
|--|-----------------------------|-----------------|------------------------|------------|------------|
| | | | 2019 | 2018 | 2017 |
| The Basic Indicator Approach | 15% | | 11,686,500 | 14,364,988 | 12,480,397 |
| The Standardised Approach | | | | | |
| Corporate Finance | 18% | | | | |
| Trading and Sales | 18% | | | | |
| Payment and Settlement | 18% | | | | |
| Agency Services | 15% | | | | |
| Asset Management | 12% | | | | |
| Retail Brokerage | 12% | | | | |
| Retail Banking | 12% | | | | |
| Commercial Banking | 15% | | | | |
| The Alternative Standardised Approach | | | | | |
| Corporate Finance | 18% | | | | |
| Trading and Sales | 18% | | | | |
| Payment and Settlement | 18% | | | | |
| Agency Services | 15% | | | | |
| Asset Management | 12% | | | | |
| Retail Brokerage | 12% | | | | |
| Retail Banking | 12% | 0.035 | | | |
| Commercial Banking | 15% | 0.035 | | | |
| Capital Charges for Operational Risk (LKR'000) | | | | | |
| The Basic Indicator Approach | 1,926,594 | | | | |
| The Standardised Approach | | | | | |
| The Alternative Standardised Approach | | | | | |
| Risk Weighted Amount for Operational Risk (LKR'000) | | | | | |
| The Basic Indicator Approach | 15,412,754 | | | | |
| The Standardised Approach | | | | | |
| The Alternative Standardised Approach | | | | | |

**Operational Risk under Basic Indicator Approach/The Standardised Approach/The Alternative Standardised Approach
(Group)**

| As at 30th June 2019 Business Lines | Capital Charge Factor | Fixed Factor | Gross Income (LKR'000) | | |
|--|-----------------------------|-----------------|------------------------|------------|------------|
| | | | 2019 | 2018 | 2017 |
| The Basic Indicator Approach | 15% | | 12,074,623 | 14,617,184 | 12,805,011 |
| The Standardised Approach | | | | | |
| Corporate Finance | 18% | | | | |
| Trading and Sales | 18% | | | | |
| Payment and Settlement | 18% | | | | |
| Agency Services | 15% | | | | |
| Asset Management | 12% | | | | |
| Retail Brokerage | 12% | | | | |
| Retail Banking | 12% | | | | |
| Commercial Banking | 15% | | | | |
| The Alternative Standardised Approach | | | | | |
| Corporate Finance | 18% | | | | |
| Trading and Sales | 18% | | | | |
| Payment and Settlement | 18% | | | | |
| Agency Services | 15% | | | | |
| Asset Management | 12% | | | | |
| Retail Brokerage | 12% | | | | |
| Retail Banking | 12% | 0.035 | | | |
| Commercial Banking | 15% | 0.035 | | | |
| Capital Charges for Operational Risk (LKR'000) | | | | | |
| The Basic Indicator Approach | 1,974,841 | | | | |
| The Standardised Approach | | | | | |
| The Alternative Standardised Approach | | | | | |
| Risk Weighted Amount for Operational Risk (LKR'000) | | | | | |
| The Basic Indicator Approach | 15,798,727 | | | | |
| The Standardised Approach | | | | | |
| The Alternative Standardised Approach | | | | | |

**Differences between Accounting and Regulatory Scopes and
Mapping of Financial Statement Categories with Regulatory Risk Categories - Bank Only**

| Item | Amount (LKR '000) as at 30th June 2019 | | | | |
|--|---|---|----------------------------------|----------------------------------|--|
| | Carrying Values as Reported in Published Financial Statements | Carrying Values under Scope of Regulatory Reporting | Subject to Credit Risk Framework | Subject to Market Risk Framework | Not subject to Capital Requirements or Subject to Deduction from Capital |
| Assets | | | | | |
| Cash and Cash Equivalents | 6,444,704 | 6,439,640 | 6,439,640 | | |
| Balances with Central Banks | 9,273,141 | 9,523,141 | 9,523,141 | | |
| Placements with Banks | 11,005,577 | 10,990,000 | 10,990,000 | | |
| Derivative Financial Instruments | 1,068,487 | - | - | | |
| Other Financial Assets Held-For- Trading | - | 63,583,494 | 59,200,400 | 2,447,502 | 1,935,592 |
| Financial Assets Designated at Fair Value through Profit or Loss | 5,008,376 | - | | | |
| Loans and Receivables to Banks | 8,239,988 | | - | | |
| Loans and Receivables to Other Customers | 257,610,196 | 259,495,278 | 244,380,584 | | 15,748,527 |
| Financial Investments - Available- For-Sale | 69,114,961 | | | | |
| Financial Investments - Held-To- Maturity | 24,241,365 | 36,860,641 | 32,945,067 | | 3,915,574 |
| Investments in Subsidiaries | 167,036 | 957,305 | 105,269 | | 852,036 |
| Investments in Associates and Joint Ventures | 790,270 | - | | | |
| Property, Plant and Equipment | 2,771,075 | 2,764,788 | 2,196,263 | | |
| Investment Properties | 9,879 | 9,879 | 9,879 | | |
| Goodwill and Intangible Assets | 696,042 | 696,042 | - | | 696,042 |
| Deferred Tax Assets | 238,618 | | | | |
| Other Assets | 3,308,765 | 5,972,954 | 4,488,899 | | 1,484,055 |
| Total Assets | 399,988,480 | 397,293,162 | 370,279,142 | 2,447,502 | 24,631,826 |
| Liabilities | | | | | |
| Due to Banks | 14,992,689 | - | | | - |
| Derivative Financial Instruments | 720,602 | - | | | - |
| Other Financial Liabilities Held-For- Trading | - | - | | | |
| Financial Liabilities Designated at Fair Value Through Profit or Loss | - | - | | | |
| Due to Other Customers | 254,565,729 | 247,269,781 | | | 247,269,781 |
| Other Borrowings | 47,448,509 | 74,755,412 | | | 74,755,412 |
| Debt Securities Issued | 13,314,365 | - | | | - |
| Current Tax Liabilities | 1,047,771 | 1,047,771 | | | 1,047,771 |
| Other Liabilities | 5,111,753 | 16,576,776 | | | 16,576,776 |
| Subordinated Term Debts | 17,179,411 | 16,000,000 | 13,834,562 | | 2,165,438 |
| Total Liabilities | 354,380,830 | 355,649,740 | 13,834,562 | - | 341,815,178 |
| Off-Balance Sheet Liabilities | | | | | |
| Guarantees | 12,011,567 | 12,011,567 | 12,011,567 | | |
| Performance Bonds | 4,305,835 | 4,305,835 | 4,305,835 | | |
| Letters of Credit and Acceptances | 11,890,708 | 11,890,708 | 11,890,708 | | |
| Other Contingent Items (Bills on Collection and capital expenditure approved by the board) | 3,142,096 | 2,639,420 | - | | 2,639,420 |
| Undrawn Loan Commitments | 70,712,103 | 70,707,476 | 70,707,476 | | |
| Other Commitments (FX commitments) | 41,221,857 | 40,606,857 | 40,606,857 | | |
| Total Off-Balance Sheet Liabilities | 143,284,166 | 142,161,863 | 139,522,443 | - | 2,639,420 |
| Shareholders' Equity | | | | | |
| Equity Capital (Stated Capital)/Assigned Capital | 7,530,371 | 7,530,371 | | | |
| of which Amount Eligible for CET1 | | | | | |
| of which Amount Eligible for AT1 | | | | | |
| Retained Earnings | 16,992,691 | 18,088,422 | | | |
| Accumulated Other Comprehensive Income | 5,017,882 | - | | | 5,017,882 |
| Other Reserves | 16,066,706 | 16,024,629 | | | |
| Total Shareholders' Equity | 45,607,650 | 41,643,422 | - | - | 5,017,882 |