



**Quantitative Disclosures as per Schedule III of Banking Act Direction
No. 01 of 2016, Capital Requirements under Basel III**

(Non Audited)

31st March 2020

Key Regulatory Ratios - Capital and Liquidity

Item	31.03.2020		31.12.2019	
	Bank	Group	Bank	Group
Regulatory Capital (LKR '000)				
Common Equity Tier 1	33,514,618	33,708,413	34,824,554	34,908,304
Tier 1 Capital	33,514,618	33,708,413	34,824,554	34,908,304
Total Capital	46,859,345	47,053,140	48,542,925	48,626,675
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2020 - 6.50% and 2019 - 7.00%)	10.43%	10.46%	11.34%	11.33%
Tier 1 Capital Ratio (Minimum Requirement - 2020 - 8.00% and 2019- 8.50%)	10.43%	10.46%	11.34%	11.33%
Total Capital Ratio (Minimum Requirement - 2020 - 12.00% and 2019 - 12.50%)	14.58%	14.59%	15.81%	15.78%
Regulatory Liquidity				
Statutory Liquid Assets (LKR'000)	98,622,195	N/A	90,664,914	N/A
Statutory Liquid Assets Ratio (20%)				
Domestic Banking Unit (%)	23.70%	N/A	23.55%	N/A
Off-Shore Banking Unit (%)	71.28%	N/A	53.07%	N/A
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement -100%)	169.60%	N/A	234.22%	N/A
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement - 100%)	127.48%	N/A	140.53%	N/A

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)			
	31.03.2020		31.12.2019	
	Bank	Group	Bank	Group
Common Equity Tier 1 (CET1) Capital after Adjustments	33,514,618	33,708,413	38,824,554	34,908,304
Common Equity Tier 1 (CET1) Capital	43,348,672	46,398,874	42,000,264	45,050,466
Equity Capital (Stated Capital)/Assigned Capital	7,530,371	7,530,371	7,530,371	7,530,371
Reserve Fund	2,461,968	2,461,968	2,461,968	2,461,968
Published Retained Earnings/(Accumulated Retained Losses)	19,576,494	22,626,696	18,228,086	21,278,288
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI				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	9,834,054	12,690,461	7,175,710	10,142,162
Goodwill (net)	97,036	156,226	97,036	156,226
Intangible Assets (net)	1,276,645	1,296,460	1,184,659	1,205,923
Others (investment in capital of banks and financial institutions)	8,460,373	11,237,775	5,894,014	8,780,013
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	13,344,727	13,344,727	13,718,371	13,718,371
Tier 2 Capital	13,344,727	13,344,727	13,718,371	13,718,371
Qualifying Tier 2 Capital Instruments	11,451,868	11,451,868	12,034,562	12,034,562
Revaluation Gains	-	-	-	-
Loan Loss Provisions	1,892,859	1,892,859	1,683,809	1,683,809
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	33,514,618	33,708,413	34,824,554	34,908,304
Total Tier 1 Capital	33,514,618	33,708,413	34,824,554	34,908,304
Total Capital	46,859,345	47,053,140	48,542,925	48,626,675

	Amount (LKR '000)			
	31.03.2020		31.12.2019	
	Bank	Group	Bank	Group
Total Risk Weighted Assets (RWA)				
RWAs for Credit Risk	291,565,075	292,172,198	274,009,885	274,759,093
RWAs for Market Risk	12,873,892	12,873,892	16,956,352	16,956,352
RWAs for Operational Risk	17,033,195	17,380,589	16,074,112	16,479,374
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	10.43%	10.46%	11.34%	11.33%
of which: Capital Conservation Buffer (%)	1.25%	1.25%	1.25%	1.25%
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 (%)	10.43%	10.46%	11.34%	11.33%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	14.58%	14.59%	15.81%	15.78%
of which: Capital Conservation Buffer (%)	1.25%	1.25%	1.25%	1.25%
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)		Amount (LKR '000)	
	31.03.2020 BANK	31.03.2020 GROUP	31.12.2019 BANK	31.12.2019 GROUP
Tier 1 Capital	33,514,618	33,708,413	34,824,554	34,908,304
Total Exposures	503,741,592	504,466,011	460,516,043	459,563,903
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	420,596,602	421,321,021	395,302,362	394,350,222
Derivative Exposures	50,860,001	50,860,001	34,403,158	34,403,158
Securities Financing Transaction Exposures	2,406,293	2,406,293	2,419,209	2,419,209
Other Off-Balance Sheet Exposures	29,878,696	29,878,696	28,391,314	28,391,314
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	6.65%	6.68%	7.56%	7.60%

Basel III Computation of Liquidity Coverage Ratio - All Currencies

Item	Amount (LKR'000)			
	31.03.2020		31.12.2019	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	60,916,189	60,422,140	69,787,641	69,287,520
Total Adjusted Level 1A Assets	59,928,091	59,928,091	68,787,399	68,787,399
Level 1 Assets	59,928,091	59,928,091	68,787,399	68,787,399
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	988,098	494,049	1,000,242	500,121
Level 2B Assets	988,098	494,049	1,000,242	500,121
Total Cash Outflows	396,606,202	73,079,166	371,758,699	70,252,115
Deposits	153,864,416	13,461,616	147,120,308	12,580,009
Unsecured Wholesale Funding	105,169,771	52,363,747	103,187,321	49,175,375
Secured Funding Transactions	21,799,480		9,512,615	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	114,315,224	5,796,493	109,145,071	5,703,347
Additional Requirements	1,457,310	1,457,310	2,793,384	2,793,384
Total Cash Inflows	43,932,761	25,683,297	32,247,053	20,948,383
Maturing Secured Lending Transactions Backed by Collateral	13,748,237	13,590,874	11,019,081	10,864,930
Committed Facilities	1,000,000		1,000,000	-
Other Inflows by Counterparty which are maturing within 30 Days	20,436,177	10,218,874	17,265,465	8,722,163
Operational Deposits	6,780,502		871,364	-
Other Cash Inflows	1,967,846	1,873,548	2,091,143	1,361,290
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) *100		127.48		140.53

Basel III Computation of Liquidity Coverage Ratio - LKR Only

Item	Amount (LKR'000)			
	31.03.2020		31.12.2019	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	56,008,824	55,514,775	67,502,165	67,002,044
Total Adjusted Level 1A Assets	55,020,726	55,020,726	66,501,923	66,501,923
Level 1 Assets	55,020,726	55,020,726	66,501,923	66,501,923
Total Adjusted Level 2A Assets			-	-
Level 2A Assets			-	-
Total Adjusted Level 2B Assets	988,098	494,049	1,000,242	500,121
Level 2B Assets	988,098	494,049	1,000,242	500,121
Total Cash Outflows	348,218,291	54,344,800	290,363,031	47,293,395
Deposits	146,272,216	12,729,290	140,992,846	11,999,556
Unsecured Wholesale Funding	65,812,973	35,847,115	60,638,199	30,809,652
Secured Funding Transactions	21,799,480		9,512,615	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	113,368,532	4,803,305	76,944,718	2,209,534
Additional Requirements	965,090	965,090	2,274,653	2,274,653
Total Cash Inflows	31,308,860	21,612,425	27,887,066	18,686,633
Maturing Secured Lending Transactions Backed by Collateral	13,171,062	13,013,700	10,615,642	10,461,491
Committed Facilities	1,000,000		1,000,000	-
Other Inflows by Counterparty which are Maturing within 30 Days	16,949,202	8,504,428	14,811,718	7,495,289
Operational Deposits			-	-
Other Cash Inflows	188,595	94,298	1,459,706	729,853
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) *100		169.60		234.22

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	C2306	C 2366	C-2367	C-2393	C-2394
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)	10	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	382,744	4,834,512	1,748,082	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 31st March 2020 (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	98,769,818	2,858,901	98,769,818	57,178	2,431,853	2%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	-
Claims on public sector entities	11,532,339	921,599	172,484	460,799	633,283	100%
Claims on official entities and multilateral development banks	-	-	-	-	-	-
Claims on banks exposures	7,824,102	54,213,761	7,824,102	1,084,668	2,575,757	29%
Claims on financial institutions	12,365,077	-	12,365,077	-	6,518,616	53%
Claims on corporates	122,841,641	52,056,519	106,428,303	25,184,381	125,933,139	96%
Retail claims	40,405,504	-	40,405,504	-	30,281,946	75%
Claims secured by residential property	10,599,603	-	10,599,603	-	7,339,421	69%
Claims secured by commercial real estate	84,901,276	1,753,722	84,901,276	1,753,722	86,654,998	100%
Non-performing assets (NPAs)(i)	7,071,773	-	7,071,773	-	7,493,059	106%
Higher-risk categories	417,821	-	417,821	-	1,044,551	250%
Cash items and other assets	21,928,386	77,217,054	21,928,386	3,085,173	20,658,452	83%
Total	418,657,340	189,021,556	390,884,147	31,625,921	291,565,075	

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 31st March 2020 (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	98,769,818	2,858,901	98,769,818	57,178	2,431,853	2%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	-
Claims on public sector entities	11,532,339	921,599	172,484	460,799	633,283	100%
Claims on official entities and multilateral development banks	-	-	-	-	-	-
Claims on banks exposures	7,878,246	54,213,761	7,878,246	1,084,668	2,595,499	29%
Claims on financial institutions	12,365,077	-	12,365,077	-	6,518,616	53%
Claims on corporates	122,668,266	52,056,519	106,254,928	25,184,381	125,759,764	96%
Retail claims	40,405,504	-	40,405,504	-	30,281,946	75%
Claims secured by residential property	10,599,603	-	10,599,603	-	7,339,421	69%
Claims secured by commercial real estate	84,901,276	1,753,722	84,901,276	1,753,722	86,654,998	100%
Non-performing assets (NPAs)(i)	7,071,773	-	7,071,773	-	7,493,059	106%
Higher-risk categories	447,830	-	447,830	-	1,119,574	250%
Cash items and other assets	22,625,206	77,217,054	22,625,206	3,085,173	21,344,185	83%
Total	419,264,938	189,021,556	391,491,745	31,625,921	292,172,198	

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) 31st March 2020 (Bank)	RWA Amount (LKR'000) 31st March 2020 (Group)
(a) RWA for Interest Rate Risk	1,544,867	1,544,867
General Interest Rate Risk	1,539,131	1,539,131
(i) Net long or short position	1,539,131	1,539,131
(ii) Horizontal disallowance	-	-
(iii) Vertical disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
(b) RWA for Equity	-	-
(i) General equity risk	-	-
(ii) Specific equity risk	-	-
(c) RWA for foreign exchange & gold	5,736	5,736
Capital charge for market risk [(a) + (b) + (c)] * CAR	12,873,892	12,873,892

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

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31st March		
			2020	2019	2018
The Basic Indicator Approach	15%		14,556,687	12,920,564	13,402,417
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	2,043,983				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	17,033,195				
The Standardised Approach					
The Alternative Standardised Approach					

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

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31st March		
			2020	2019	2018
The Basic Indicator Approach	15%		14,799,048	13,254,516	13,659,850
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	2,085,671				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	17,380,589				
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 31st March 2020				
	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	11,136,459	11,133,637	11,133,637		
Balances with Central Bank of Sri Lanka	7,506,249	7,506,249	7,506,249		
Placements with Banks	-	-	-		
Derivative financial assets	1,821,935		-		
Financial Assets measured at fair value through profit or loss	583,491	70,184,819	70,184,819	-	-
Financial assets at amortized cost - Loans to and receivable from banks	5,355,113	-	-		
Financial assets at amortized cost – Loans to and receivables from other customers	292,329,277	294,727,842	267,519,674		27,208,168
Financial assets at amortized cost – Debt and other instruments	20,866,615	35,403,155	27,776,186		7,626,969
Financial assets measured at fair value through other comprehensive income	85,417,838	-			
Investments in Subsidiaries	187,436	977,705	125,669		852,036
Investments in Associates	35,270	-			
Investments in Joint Ventures	755,000	-			
Investment Property	9,879	9,879	9,879		
Property, Plant and Equipment	3,264,852	3,267,148	3,267,148		
Intangible Assets and goodwill	1,276,645	1,276,645	-		1,276,645
Deferred Tax Assets	353,083				
Other Assets	1,937,801	5,286,081	3,360,886		1,925,195
Total Assets	432,836,943	429,773,160	390,884,147	-	38,889,013
Liabilities					
Due to Banks	41,888,308	-			-
Derivative financial liabilities	492,569	-			-
Financial liabilities at amortized cost – Due to depositors	256,395,947	249,006,645			249,006,645
Financial liabilities at amortized cost – Due to other borrowers	50,202,225	104,319,341			104,319,341
Debt Securities in Issue	13,203,719	-			-
Retirement benefit obligation	582,369				
Current Tax Liabilities	781,034	1,285,029			1,285,029
Deferred Tax Liability	-	431,841			431,841
Other Liabilities	3,976,163	13,918,694			13,918,694
Subordinated Term Debt	16,633,891	16,000,000	11,451,868		4,548,132
Total Liabilities	384,156,225	384,961,550	11,451,868	-	373,509,682
Off-Balance Sheet Liabilities					
Guarantees	10,976,496	10,976,496	9,384,173		1,592,322
Performance Bonds	4,899,919	4,899,919	4,741,031		158,888
Letters of Credit and Acceptances	13,198,981	13,198,981	13,014,381		184,600
Other Contingent Items (Bills on Collection and capital expenditure approved by the board)	5,538,584	5,094,312	-		5,094,312
Undrawn Loan Commitments	84,239,828	84,239,828	84,239,828		
Other Commitments (FX commitments)	14,278,138	12,969,545	77,642,143		
Total Off-Balance Sheet Liabilities	133,131,946	131,379,081	189,021,556	-	7,030,122
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital of which Amount Eligible for CET1 of which Amount Eligible for AT1	7,530,371	7,530,371			
Retained Earnings	19,156,855	21,150,337			
Accumulated Other Comprehensive Income	6,114,944	-			6,114,944
Other Reserves	15,878,548	16,130,902			
Total Shareholders' Equity	48,680,718	44,811,610	-	-	6,114,944