



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

30th June 2020

Key Regulatory Ratios - Capital and Liquidity

Item	30.06.2020		31.12.2019	
	Bank	Group	Bank	Group
Regulatory Capital (LKR '000)				
Common Equity Tier 1	34,804,076	34,593,438	34,824,554	34,908,304
Tier 1 Capital	34,804,076	34,593,438	34,824,554	34,908,304
Total Capital	47,931,197	47,720,559	48,542,925	48,626,675
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2020 - 6.50% and 2019 - 7.00%)	11.14%	11.04%	11.34%	11.33%
Tier 1 Capital Ratio (Minimum Requirement - 2020 - 8.00% and 2019- 8.50%)	11.14%	11.04%	11.34%	11.33%
Total Capital Ratio (Minimum Requirement - 2020 - 12.00% and 2019 - 12.50%)	15.34%	15.23%	15.81%	15.78%
Regulatory Liquidity				
Statutory Liquid Assets (LKR'000)	112,616,948	N/A	90,664,914	N/A
Statutory Liquid Assets Ratio (Minimum Requirement -20%)				
Domestic Banking Unit (%)	27.85%	N/A	23.55%	N/A
Off-Shore Banking Unit (%)	50.23%	N/A	53.07%	N/A
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement - 2020 -90% and 2019 - 100%)	254.08%	N/A	234.22%	N/A
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement - 2020 -90% and 2019 - 100%)	186.45%	N/A	140.53%	N/A

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)			
	30.06.2020		31.12.2019	
	Bank	Group	Bank	Group
	34,804,076	34,593,438	38,824,554	34,908,304
Common Equity Tier 1 (CET1) Capital	44,978,539	48,028,741	42,000,264	45,050,466
Equity Capital (Stated Capital)/Assigned Capital	7,682,465	7,682,465	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)	17,315,520	20,365,722	18,228,086	21,278,288
Published Accumulated Other Comprehensive Income (OCI)	621,036	621,036		
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	3,117,711	3,117,711		
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties				
Total Adjustments to CET1 Capital	10,174,463	13,435,303	7,175,710	10,142,162
Goodwill (net)	97,036	156,226	97,036	156,226
Intangible Assets (net)	1,402,895	1,421,280	1,184,659	1,205,923
Others (investment in capital of banks and financial institutions)	8,674,532	11,857,797	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	13,127,121	13,127,121	13,718,371	13,718,371
Tier 2 Capital	13,127,121	13,127,121	13,718,371	13,718,371
Qualifying Tier 2 Capital Instruments	11,051,868	11,051,868	12,034,562	12,034,562
Revaluation Gains	-	-	-	-
Loan Loss Provisions	2,075,253	2,075,253	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	34,804,076	34,593,438	34,824,554	34,908,304
Total Tier 1 Capital	34,804,076	34,593,438	34,824,554	34,908,304
Total Capital	47,931,197	47,720,559	48,542,925	48,626,675

Item	Amount (LKR '000)			
	30.06.2020		31.12.2019	
	Bank	Group	Bank	Group
Total Risk Weighted Assets (RWA)				
RWAs for Credit Risk	281,054,744	281,604,218	274,009,885	274,759,093
RWAs for Market Risk	13,995,867	13,995,867	16,956,352	16,956,352
RWAs for Operational Risk	17,410,762	17,755,179	16,074,112	16,479,374
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	11.14%	11.04%	11.34%	11.33%
of which: Capital Conservation Buffer (%)	1.20%	1.20%	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 (%)	11.14%	11.04%	11.34%	11.33%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	15.34%	15.23%	15.81%	15.78%
of which: Capital Conservation Buffer (%)	1.20%	1.20%	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)	
	30.06.2020 BANK	30.06.2020 GROUP	31.12.2019 BANK	31.12.2019 GROUP
Tier 1 Capital	34,804,076	34,593,438	34,824,554	34,908,304
	471,871,733	471,061,922	460,516,043	459,563,903
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	422,015,784	421,205,973	395,302,362	394,350,222
Derivative Exposures	26,202,844	26,202,844	34,403,158	34,403,158
Securities Financing Transaction Exposures	2,556,891	2,556,891	2,419,209	2,419,209
Other Off-Balance Sheet Exposures	21,096,214	21,096,214	28,391,314	28,391,314
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	7.38%	7.34%	7.56%	7.60%

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

	Amount (LKR'000)			
	30.06.2020		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)	81,771,860	81,241,319	69,787,641	69,287,520
Total Adjusted Level 1A Assets	80,710,779	80,710,779	68,787,399	68,787,399
Level 1 Assets	80,710,779	80,710,779	68,787,399	68,787,399
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	1,061,081	530,541	1,000,242	500,121
Level 2B Assets	1,061,081	530,541	1,000,242	500,121
Total Cash Outflows	381,118,777	76,579,022	371,758,699	70,252,115
Deposits	167,800,340	14,845,527	147,120,308	12,580,009
Unsecured Wholesale Funding	109,075,153	54,356,426	103,187,321	49,175,375
Secured Funding Transactions	6,493,842		9,512,615	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	94,801,528	4,429,154	109,145,071	5,703,347
Additional Requirements	2,947,915	2,947,915	2,793,384	2,793,384
Total Cash Inflows	49,013,555	33,005,603	32,247,053	20,948,383
Maturing Secured Lending Transactions Backed by Collateral	12,194,947	12,030,440	11,019,081	10,864,930
Committed Facilities	1,000,000		1,000,000	-
Other Inflows by Counterparty which are maturing within 30 Days	30,401,478	19,857,350	17,265,465	8,722,163
Operational Deposits	3,633,058		871,364	-
Other Cash Inflows	1,784,072	1,117,813	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		186.45		140.53

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

	Amount (LKR'000)			
	30.06.2020		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)	76,890,232	76,359,692	67,502,165	67,002,044
Total Adjusted Level 1A Assets	75,829,151	75,829,151	66,501,923	66,501,923
Level 1 Assets	75,829,151	75,829,151	66,501,923	66,501,923
Total Adjusted Level 2A Assets			-	-
Level 2A Assets			-	-
Total Adjusted Level 2B Assets	1,061,081	530,541	1,000,242	500,121
Level 2B Assets	1,061,081	530,541	1,000,242	500,121
Total Cash Outflows	320,631,302	58,990,872	290,363,031	47,293,395
Deposits	159,905,503	14,085,096	140,992,846	11,999,556
Unsecured Wholesale Funding	76,404,019	40,445,707	60,638,199	30,809,652
Secured Funding Transactions	6,493,842		9,512,615	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	74,983,734	1,615,866	76,944,718	2,209,534
Additional Requirements	2,844,204	2,844,204	2,274,653	2,274,653
Total Cash Inflows	38,888,343	28,937,037	27,887,066	18,686,633
Maturing Secured Lending Transactions Backed by Collateral	11,578,420	11,413,913	10,615,642	10,461,491
Committed Facilities	1,000,000		1,000,000	-
Other Inflows by Counterparty which are Maturing within 30 Days	24,977,411	16,856,865	14,811,718	7,495,289
Operational Deposits			-	-
Other Cash Inflows	1,332,519	666,259	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		254.08		234.22

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument (Bank Only)	Stated Capital	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
Unique Identifier (e.g., ISIN or Bloomberg Identifier for Private Placement)	LK0055N00000	C 2366	C-2367	C-2393	C-2394
	Companies Act, No. 07 of 2007, Colombo Stock Exchange Regulations				
Original Date of Issuance	N/A	9th November 2016	9th November 2016	26th March 2018	26th March 2018
Par Value of Instrument (LKR)		100	100	100	100
Perpetual or Dated	Perpetual	Dated	Dated	Dated	Dated
Original Maturity Date, if Applicable	N/A	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)	7,682,465	382,744	4,834,512	1,748,082	4,086,530
Accounting Classification (Equity/Liability)	Equity	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
Subsequent Call Dates, if Applicable	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
Coupon Rate and any Related Index (%)	N/A	12.15	12.75	12.6	13
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible	Non-convertible	Non-convertible	Non-convertible	Convertible	Convertible
If Convertible, Conversion Trigger (s)	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	Fully	Fully
If Convertible, Mandatory or Optional	N/A	N/A	N/A	Mandatory	Mandatory
If Convertible, Conversion Rate	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**

	Amount (LKR'000) as at 30th June 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	109,006,884	-	109,006,884	-	2,343,207	2%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	-
Claims on public sector entities	12,435,156	921,599	302,051	460,799	762,850	100%
Claims on official entities and multilateral development banks	-	-	-	-	-	-
Claims on banks exposures	5,188,635	33,522,742	5,188,635	1,255,751	2,526,442	39%
Claims on financial institutions	11,115,207	-	11,115,207	-	5,603,791	50%
Claims on corporates	123,908,813	38,248,320	107,533,558	17,790,752	120,015,302	96%
Retail claims	41,801,481	-	41,801,481	-	30,594,210	73%
Claims secured by residential property	10,830,915	-	10,830,915	-	7,689,460	71%
Claims secured by commercial real estate	87,635,264	1,671,719	87,635,264	1,671,719	89,306,983	100%
Non-performing assets (NPAs)(i)	6,905,156	-	6,905,156	-	7,337,860	106%
Higher-risk categories	433,171	-	433,171	-	1,082,927	250%
Cash items and other assets	15,530,003	64,893,136	15,530,003	2,981,250	13,791,712	75%
Total	424,790,685	139,257,516	396,282,325	24,160,271	281,054,744	

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**

	Amount (LKR'000) as at 30th June 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	109,006,884	-	109,006,884	-	2,343,207	2%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	-
Claims on public sector entities	12,435,156	921,599	302,051	460,799	762,850	100%
Claims on official entities and multilateral development banks	-	-	-	-	-	-
Claims on banks exposures	5,352,904	33,522,742	5,352,904	1,255,751	2,568,213	39%
Claims on financial institutions	11,115,207	-	11,115,207	-	5,603,791	50%
Claims on corporates	123,832,835	38,248,320	107,457,580	17,790,752	119,939,324	96%
Retail claims	41,801,481	-	41,801,481	-	30,594,210	73%
Claims secured by residential property	10,830,915	-	10,830,915	-	7,689,460	71%
Claims secured by commercial real estate	87,635,264	1,671,719	87,635,264	1,671,719	89,306,983	100%
Non-performing assets (NPAs)(i)	6,905,156	-	6,905,156	-	7,337,860	106%
Higher-risk categories	463,194	-	463,194	-	1,157,986	250%
Cash items and other assets	16,056,720	64,893,136	16,056,720	2,981,250	14,300,334	75%
Total	425,435,716	139,257,516	396,927,356	24,160,271	281,604,218	

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)	RWA Amount (LKR'000)
	30th June 2020 (Bank)	30th June 2020 (Group)
(a) RWA for Interest Rate Risk	1,650,428	1,650,428
	1,650,428	1,650,428
(i) Net long or short position	1,650,428	1,650,428
(ii) Horizontal disallowance	-	-
(iii) Vertical disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
(b) RWA for Equity	1,783	1,783
(i) General equity risk	1,070	1,070
(ii) Specific equity risk	713	713
(c) RWA for foreign exchange & gold	27,293	27,293
Capital charge for market risk [(a) + (b) + (c)] * CAR	13,995,867	13,995,867

**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 30th June		
			2020	2019	2018
The Basic Indicator Approach	15%		15,734,341	13,101,309	12,950,178
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	2,089,291				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	17,410,762				
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 30th June		
			2020	2019	2018
The Basic Indicator Approach	15%		15,920,622	13,489,432	13,202,376
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	2,130,622				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	17,755,179				
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**

	Amount (LKR '000) as at 30th June 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	8,356,343	8,356,185	8,356,185		
Balances with Central Bank of Sri Lanka	3,700,847	3,700,847	3,700,847		
Placements with Banks	9,295,098	9,293,690	9,293,690		
Derivative financial assets	451,553	451,553	-		451,553
Financial Assets measured at fair value through profit or loss	752,731	96,493,825	96,409,133	8,916	75,776
Financial assets at amortized cost - Loans to and receivable from banks	7,123,188				
Financial assets at amortized cost - Loans to and receivables from other customers	291,659,388	294,126,726	266,960,863		27,165,863
Financial assets at amortized cost - Debt and other instruments	24,614,384	12,275,233	4,498,663		-
Financial assets measured at fair value through other comprehensive income	80,502,646	-			
Investments in Subsidiaries	187,435	187,435	90,400		-
Investments in Associates	35,270	35,270			
Investments in Joint Ventures	755,000	755,000			
Investment Property	9,879	9,879	9,879		
Property, Plant and Equipment	3,269,785	3,272,081	3,272,081		
Intangible Assets and goodwill	1,402,895	1,402,895			-
Other Assets	3,082,703	4,781,975	3,690,584		1,091,391
Total Assets	435,199,145	435,142,594	396,282,325	8,916	28,784,583
Liabilities					
Due to Banks	27,111,006				
Derivative financial liabilities	103,711				
Financial liabilities at amortized cost -	277,721,908	271,095,898			271,095,898
Financial liabilities at amortized cost -	43,775,734	85,093,525			85,093,525
Debt Securities in Issue	15,323,921				
Retirement benefit obligation	601,815				
Current Tax Liabilities	1,130,821	1,529,551			1,529,551
Deferred Tax Liability	631,433	397,358			397,358
Other Liabilities	5,441,062	14,752,331			14,752,331
Subordinated Term Debt	14,784,645	14,000,000			2,948,132
Total Liabilities	386,626,056	386,868,663			375,816,795
Off-Balance Sheet Liabilities					
Guarantees	10,702,904	10,702,905	8,229,037		2,473,868
Performance Bonds	5,195,464	5,195,464	5,038,644		156,822
Letters of Credit and Acceptances	8,763,485	8,763,485	8,610,872		152,612
Other Contingent Items (Bills on Collection and capital expenditure approved by the board)	4,340,921	4,181,319	-		4,181,319
Undrawn Loan Commitments	69,139,674	69,139,674	69,139,674		
Other Commitments (FX commitments)	2,048,987	1,096,813	48,239,289		
Total Off-Balance Sheet Liabilities	100,191,435	99,079,660	139,257,516	-	6,964,621
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital	7,682,465	7,682,465			
of which Amount Eligible for CET1					
of which Amount Eligible for AT1					
Retained Earnings	18,763,126	24,460,564			
Accumulated Other Comprehensive Income	5,885,691	-			
Other Reserves	16,241,807	16,130,902			
Total Shareholders' Equity	48,573,089	48,273,931	-	-	

Notes:

Where a single item attracts capital charges according to more than one risk category, it should be reported in all columns that it attracts a capital charge. As a consequence, the sum of amounts in columns (c) to (e) may be greater than the amount in column (b). An explanation note must be provided for such reporting for reconciliation purpose.