



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

(Un Audited)

30th June 2022

Key Regulatory Ratios - Capital and Liquidity

Item	30.06.2022		31.12.2021	
	Bank	Group	Bank	Group
Regulatory Capital (LKR '000)				
Regulatory Capital (LKR '000)				
Common Equity Tier 1	43,054,673	42,033,720	34,259,288	34,265,838
Tier 1 Capital	43,054,673	42,033,720	34,259,288	34,265,838
Total Capital	56,167,204	55,146,251	47,968,017	47,974,567
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement- 6.50%)	10.84%	10.56%	9.31%	9.28%
Tier 1 Capital Ratio (Minimum Requirement- 8.50%)	10.84%	10.56%	9.31%	9.28%
Total Capital Ratio (Minimum Requirement - 12.50%)	14.14%	13.85%	13.03%	13.00%
Statutory Liquid Assets (LKR'000)	219,754,637	N/A	129,242,574	N/A
Statutory Liquid Assets Ratio (20%)				
Domestic Banking Unit (%)	38.01%	N/A	24.23%	N/A
Off-Shore Banking Unit (%)	64.04%		66.25%	
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement - 90%)	184.15%	N/A	152.86%	N/A
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement - 90%)	133.37%	N/A	136.18%	N/A

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)			
	30.06.2022		31.12.2021	
	Bank	Group	Bank	Group
Common Equity Tier 1 (CET1) Capital after Adjustments	43,054,673	42,033,720	34,259,288	34,265,838
Common Equity Tier 1 (CET1) Capital	49,074,630	52,823,619	46,687,119	50,436,550
Equity Capital (Stated Capital)/Assigned Capital	13,182,025	13,182,025	8,600,457	8,600,457
Reserve Fund	2,746,968	2,746,968	2,746,968	2,746,968
Published Retained Earnings/(Accumulated Retained Losses)	19,897,592	23,637,532	22,091,649	25,831,589
Published Accumulated Other Comprehensive Income (OCI)	(531,794)	(522,745)	(531,794)	(522,303)
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-		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	6,019,957	10,789,899	12,427,831	16,170,712
Goodwill (net)	-	156,226	-	156,226
Intangible Assets (net)	2,064,140	2,086,637	2,227,577	2,252,589
Others (Deferred tax assets,Cash Flow hedge reserve,Investment in capital of banks and financial institutions)	3,955,817	8,547,036	10,200,254	13,761,897
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	13,112,531	13,112,531	13,708,729	13,708,729
Tier 2 Capital	13,112,531	13,112,531	13,708,729	13,708,729
Qualifying Tier 2 Capital Instruments	9,111,268	9,111,268	10,511,268	10,511,268
Revaluation Gains	-	-	-	-
Loan Loss Provisions	4,001,263	4,001,263	3,197,461	3,197,461
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	43,054,673	42,033,720	34,259,288	34,265,838
Total Tier 1 Capital	43,054,673	42,033,720	34,259,288	34,265,838
Total Capital	56,167,204	55,146,251	47,968,017	47,974,567

	Amount (LKR '000)			
	30.06.2022		31.12.2021	
	Bank	Group	Bank	Group
Total Risk Weighted Assets (RWA)				
RWAs for Credit Risk	365,776,708	366,261,276	339,260,886	339,722,423
RWAs for Market Risk	10,713,512	10,713,512	10,005,925	10,005,925
RWAs for Operational Risk	20,749,699	21,237,690	18,909,993	19,380,488
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	10.84%	10.56%	9.31%	9.28%
of which: Capital Conservation Buffer (%)	1.20%	1.20%	1.20%	1.20%
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 (%)	10.84%	10.56%	9.31%	9.28%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	14.14%	13.85%	13.03%	13.00%
of which: Capital Conservation Buffer (%)	1.20%	1.20%	1.20%	1.20%
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)	
	30.06.2022 BANK	30.06.2022 GROUP	31.12.2021 BANK	31.12.2021 GROUP
Tier 1 Capital	43,054,673	42,033,720	35,287,178	35,378,566
Total Exposures	560,725,431	559,718,509	533,418,008	532,504,559
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	489,280,904	488,273,982	476,523,880	475,610,431
Derivative Exposures	45,925,660	45,925,660	20,055,525	20,055,525
Securities Financing Transaction Exposures	3,032,230	3,032,230	1,109,277	1,109,277
Other Off-Balance Sheet Exposures	22,486,637	22,486,637	35,729,326	35,729,326
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	7.68%	7.51%	6.62%	6.64%

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

Item	Amount (LKR'000)			
	30.06.2022		31.12.2021	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	52,759,133	52,360,270	70,028,983	69,396,761
Total Adjusted Level 1A Assets	51,961,407	51,961,407	68,764,540	68,764,540
Level 1 Assets	51,961,407	51,961,407	68,764,540	68,764,540
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	797,725	398,863	1,264,443	632,221
Level 2B Assets	797,725	398,863	1,264,443	632,221
Total Cash Outflows	436,620,733	78,338,349	489,106,855	82,706,774
Deposits	221,026,815	20,066,641	216,527,162	19,537,298
Unsecured Wholesale Funding	102,572,435	43,398,987	101,848,746	44,806,790
Secured Funding Transactions	2,356,410	-	2,386,304	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	101,878,674	6,086,321	161,230,438	11,248,480
Additional Requirements	8,786,399	8,786,399	7,114,205	7,114,205
Total Cash Inflows	60,245,817	39,079,650	46,460,680	31,747,827
Maturing Secured Lending Transactions Backed by Collateral	20,362,587	19,196,122	18,586,621	17,283,217
Committed Facilities	-	-	1,000,000	-
Other Inflows by Counterparty which are maturing within 30 Days	25,235,548	17,018,298	19,302,269	12,796,237
Operational Deposits	8,917,223	-	4,613,190	-
Other Cash Inflows	5,730,459	2,865,230	2,958,599	1,668,373
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) *100		133.37		136.18

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

Item	Amount (LKR'000)			
	30.06.2022		31.12.2021	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	43,719,449	43,320,587	63,872,699	63,211,781
Total Adjusted Level 1A Assets	42,921,724	42,921,724	62,550,864	62,550,864
Level 1 Assets	42,921,724	42,921,724	62,550,864	62,550,864
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	797,725	398,863	1,321,835	660,918
Level 2B Assets	797,725	398,863	1,321,835	660,918
Total Cash Outflows	344,417,986	52,381,454	423,205,152	68,030,524
Deposits	190,280,110	16,991,971	198,578,248	17,742,407
Unsecured Wholesale Funding	55,357,232	24,339,169	74,994,769	33,888,212
Secured Funding Transactions	2,356,410	-	2,386,304	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	90,948,728	5,574,807	141,111,240	10,265,313
Additional Requirements	5,475,507	5,475,507	6,134,592	6,134,592
Total Cash Inflows	39,050,118	28,856,233	34,756,791	26,797,017
Maturing Secured Lending Transactions Backed by Collateral	19,416,679	18,250,214	15,156,024	13,852,619
Committed Facilities	1,000,000	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	14,142,593	8,360,595	17,020,316	11,654,172
Operational Deposits	-	-	-	-
Other Cash Inflows	4,490,847	2,245,423	2,580,452	1,290,226
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) *100		184.15		152.86

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument (Bank Only)	Stated Capital	Subordinated Term-debt (2016 - Type B)	Subordinated Term-debt (2018 - Type A)	Subordinated Term-debt (2018 - Type B)	Subordinated Term-debt (2020 - Type A)	Subordinated Term-debt (2020 - 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-2367	C-2393	C-2394	C-2458	C-2457
Governing Law(s) of the Instrument	Companies Act, No. 07 of 2007, Colombo Stock Exchange Regulations					
Original Date of Issuance	N/A	9th November 2016	26th March 2018	26th March 2018	23 October 2020	23 October 2020
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	9th November 2023	29th March 2023	29th March 2025	23 October 2025	23 October 2027
Amount Recognised in Regulatory Capital (in LKR '000 as at the Reporting Date)	9,562,024	2,417,256	582,694	2,451,918	3,454,400	205,000
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	12.75	12.6	13	9	9.25
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible	Non-convertible	Non-convertible	Convertible	Convertible	Convertible	Convertible
If Convertible, Conversion Trigger (s)	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	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	Fully	Fully	Fully	Fully
If Convertible, Mandatory or Optional	N/A	N/A	Mandatory	Mandatory	Mandatory	Mandatory
If Convertible, Conversion Rate	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	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 2022 (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	66,023,183	47,584,762	66,023,183	3,742,875	1,791,026	3%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	-
Claims on public sector entities	12,289,367	-	-	-	-	0%
Claims on official entities and multilateral development banks	-	-	-	-	-	-
Claims on banks exposures	21,283,846	359,685	21,283,846	7,586	4,926,016	23%
Claims on financial institutions	10,457,623	-	10,457,623	-	7,309,993	70%
Claims on corporates	191,357,748	30,359,386	172,843,286	17,809,075	187,377,236	98%
Retail claims	147,554,132	-	147,554,132	-	117,397,014	80%
Claims secured by residential property	15,630,335	-	15,630,335	-	5,470,617	35%
Claims secured by commercial real estate	1,695,635	-	1,695,635	-	1,695,635	100%
Non-performing assets (NPAs) ⁽ⁱ⁾	17,838,963	-	17,838,963	-	20,981,146	118%
Higher-risk categories	521,560	-	521,560	-	1,303,899	250%
Cash items and other assets	20,263,986	71,980,771	20,263,986	4,775,049	17,524,126	70%
Total	504,916,378	150,284,604	474,112,549	26,334,585	365,776,708	

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 2022 (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 ⁽ⁱ⁾
Claims on central Government and CBSL	66,023,183	47,584,762	66,023,183	3,742,875	1,791,026	3%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	-
Claims on public sector entities	12,289,367	-	-	-	-	0%
Claims on official entities and multilateral development banks	-	-	-	-	-	-
Claims on banks exposures	21,319,548	359,685	21,319,548	7,586	4,943,868	23%
Claims on financial institutions	10,457,623	-	10,457,623	-	7,309,993	70%
Claims on corporates	191,122,817	30,359,386	172,608,355	17,809,075	187,142,305	98%
Retail claims	147,554,132	-	147,554,132	-	117,397,014	80%
Claims secured by residential property	15,630,335	-	15,630,335	-	5,470,617	35%
Claims secured by commercial real estate	1,695,635	-	1,695,635	-	1,695,635	100%
Non-performing assets (NPAs)(i)	17,838,963	-	17,838,963	-	20,981,146	118%
Higher-risk categories	557,262	-	557,262	-	1,393,156	250%
Cash items and other assets	20,861,165	71,980,771	20,861,165	4,775,049	18,136,516	71%
Total	505,350,030	150,284,604	474,546,201	26,334,585	366,261,276	

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 2022 (Bank)	RWA Amount (LKR'000) 30th June 2022 (Group)
(a) RWA for Interest Rate Risk	-	-
General Interest Rate Risk	-	-
(i) Net long or short position	-	-
(ii) Horizontal disallowance	-	-
(iii) Vertical disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
(b) RWA for Equity	33,760	33,760
(i) General equity risk	20,095	20,095
(ii) Specific equity risk	13,665	13,665
(c) RWA for foreign exchange & gold	1,305,429	1,305,429
Capital charge for market risk [(a) + (b) + (c)] * CAR	10,713,512	10,713,512

**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 March		
			2022	2021	2020
The Basic Indicator Approach	15%		21,675,201	14,584,312	15,614,736
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	2,593,712				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	20,749,699				
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		
			2022	2021	2020
The Basic Indicator Approach	15%		22,160,531	14,921,368	16,012,327
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	2,654,711				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	21,237,690				
The Standardised Approach					
The Alternative Standardised Approach					