



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

**(Un Audited)**

**30th September 2022**

**Key Regulatory Ratios - Capital and Liquidity**

Item	30.09.2022		31.12.2021	
	Bank	Group	Bank	Group
<b>Regulatory Capital (LKR '000)</b>				
Regulatory Capital (LKR '000)				
Common Equity Tier 1	40,260,523	39,476,119	34,259,288	34,265,838
Tier 1 Capital	40,260,523	39,476,119	34,259,288	34,265,838
<b>Total Capital</b>	<b>53,892,133</b>	<b>53,107,729</b>	<b>47,968,017</b>	<b>47,974,567</b>
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement- 6.50%)	10.22%	9.99%	9.31%	9.28%
Tier 1 Capital Ratio (Minimum Requirement- 8.50% )	10.22%	9.99%	9.31%	9.28%
Total Capital Ratio (Minimum Requirement - 12.50%)	13.68%	13.45%	13.03%	13.00%
Statutory Liquid Assets (LKR'000)	102,957,664	N/A	124,519,853	N/A
Statutory Liquid Assets Ratio (20%)				
Domestic Banking Unit (%)	20.76%	N/A	21.60%	N/A
Off-Shore Banking Unit (%)	20.21%	N/A	41.79%	N/A
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement - 90%)	245.68%	N/A	135.32%	N/A
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement - 90%)	157.41%	N/A	111.15%	N/A

**Basel III Computation of Capital Ratios**

Item	Amount (LKR '000)			
	30.09.2022		31.12.2021	
	Bank	Group	Bank	Group
<b>Common Equity Tier 1 (CET1) Capital after Adjustments</b>	<b>40,260,523</b>	<b>39,476,119</b>	<b>34,259,288</b>	<b>34,265,838</b>
<b>Common Equity Tier 1 (CET1) Capital</b>	<b>49,074,630</b>	<b>52,781,203</b>	<b>46,687,119</b>	<b>50,436,550</b>
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	23,595,116	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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-		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				
<b>Total Adjustments to CET1 Capital</b>	<b>8,814,107</b>	<b>13,305,084</b>	<b>12,427,831</b>	<b>16,170,712</b>
Goodwill (net)	-	156,226	-	156,226
Intangible Assets (net)	2,002,300	2,013,044	2,227,577	2,252,589
Others (Deferred tax assets, Cash Flow hedge reserve, Investment in capital of banks and financial institutions)	6,811,807	11,135,814	10,200,254	13,761,897
<b>Additional Tier 1 (AT1) Capital after Adjustments</b>				
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				
<b>Total Adjustments to AT1 Capital</b>				
Investment in Own Shares				
Others (specify)				
<b>Tier 2 Capital after Adjustments</b>	<b>13,631,610</b>	<b>13,631,610</b>	<b>13,708,729</b>	<b>13,708,729</b>
<b>Tier 2 Capital</b>	<b>13,631,610</b>	<b>13,631,610</b>	<b>13,708,729</b>	<b>13,708,729</b>
Qualifying Tier 2 Capital Instruments	9,111,268	9,111,268	10,511,268	10,511,268
Revaluation Gains	-	-	-	-
Loan Loss Provisions	4,520,342	4,520,342	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)	-		-	
<b>CET1 Capital</b>	<b>40,260,523</b>	<b>39,476,119</b>	<b>34,259,288</b>	<b>34,265,838</b>
<b>Total Tier 1 Capital</b>	<b>40,260,523</b>	<b>39,476,119</b>	<b>34,259,288</b>	<b>34,265,838</b>
<b>Total Capital</b>	<b>53,892,133</b>	<b>53,107,729</b>	<b>47,968,017</b>	<b>47,974,567</b>

	Amount (LKR '000)			
	30.09.2022		31.12.2021	
	Bank	Group	Bank	Group
<b>Total Risk Weighted Assets (RWA)</b>				
RWAs for Credit Risk	361,627,380	362,186,618	339,260,886	339,722,423
RWAs for Market Risk	9,346,048	9,346,048	10,005,925	10,005,925
RWAs for Operational Risk	22,930,759	23,463,972	18,909,993	19,380,488
<b>CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>10.22%</b>	<b>9.99%</b>	<b>9.31%</b>	<b>9.28%</b>
<b>of which: Capital Conservation Buffer (%)</b>	<b>1.20%</b>	<b>1.20%</b>	<b>1.20%</b>	<b>1.20%</b>
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
<b>Total Tier 1 Capital Ratio (%)</b>	<b>10.22%</b>	<b>9.99%</b>	<b>9.31%</b>	<b>9.28%</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>13.68%</b>	<b>13.45%</b>	<b>13.03%</b>	<b>13.00%</b>
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)	
	30.09.2022 BANK	30.09.2022 GROUP	31.12.2021 BANK	31.12.2021 GROUP
Tier 1 Capital	40,260,523	39,977,223	35,287,178	35,378,566
Total Exposures	575,641,084	574,692,624	533,418,008	532,504,559
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	494,402,768	493,454,307	476,523,880	475,610,431
Derivative Exposures	53,933,255	53,933,255	20,055,525	20,055,525
Securities Financing Transaction Exposures	3,983,058	3,983,058	1,109,277	1,109,277
Other Off-Balance Sheet Exposures	23,322,004	23,322,004	35,729,326	35,729,326
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	<b>6.99%</b>	<b>6.96%</b>	<b>6.62%</b>	<b>6.64%</b>

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

Item	Amount (LKR'000)			
	30.09.2022		31.12.2021	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
<b>Total Stock of High-Quality Liquid Assets (HQLA)</b>	<b>59,063,607</b>	<b>58,295,089</b>	<b>78,599,706</b>	<b>77,927,930</b>
Total Adjusted Level 1A Assets	56,550,650	56,550,650	77,256,154	77,256,154
Level 1 Assets	56,550,650	56,550,650	77,256,154	77,256,154
Total Adjusted Level 2A Assets	1,394,173	1,185,047	-	-
Level 2A Assets	1,394,173	1,185,047	-	-
Total Adjusted Level 2B Assets	1,118,784	559,392	1,343,553	671,776
Level 2B Assets	1,118,784	559,392	1,343,553	671,776
<b>Total Cash Outflows</b>	<b>463,996,702</b>	<b>72,687,257</b>	<b>502,692,294</b>	<b>95,642,457</b>
Deposits	241,481,008	21,858,804	206,868,882	18,256,205
Unsecured Wholesale Funding	99,112,978	41,310,304	136,315,725	68,161,724
Secured Funding Transactions	12,783,142	-	14,732,689	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	107,978,708	6,877,284	139,690,926	4,140,456
Additional Requirements	2,640,866	2,640,866	5,084,072	5,084,072
<b>Total Cash Inflows</b>	<b>49,468,790</b>	<b>35,653,925</b>	<b>43,709,043</b>	<b>25,531,500</b>
Maturing Secured Lending Transactions Backed by Collateral	22,177,582	20,899,159	12,439,713	11,704,466
Committed Facilities	-	-	1,000,000	-
Other Inflows by Counterparty which are maturing within 30 Days	19,494,207	13,367,399	23,181,256	11,601,165
Operational Deposits	5,022,266	-	3,051,694	-
Other Cash Inflows	2,774,735	1,387,368	4,036,379	2,225,869
Liquidity Coverage Ratio (%) (Stock of		157.41		111.15
High Quality Liquid Assets/Total Net Cash				
<b>Outflows over the Next 30 Calendar Days) *100</b>				

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

Item	Amount (LKR'000)			
	30.09.2022		31.12.2021	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
<b>Total Stock of High-Quality Liquid Assets (HQLA)</b>	<b>57,463,096</b>	<b>56,903,704</b>	<b>72,456,315</b>	<b>71,784,539</b>
Total Adjusted Level 1A Assets	56,344,311	56,344,311	71,112,763	71,112,763
Level 1 Assets	56,344,311	56,344,311	71,112,763	71,112,763
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	1,118,784	559,392	1,343,553	671,776
Level 2B Assets	1,118,784	559,392	1,343,553	671,776
<b>Total Cash Outflows</b>	<b>374,241,277</b>	<b>50,919,465</b>	<b>412,293,224</b>	<b>75,328,521</b>
Deposits	212,697,368	18,980,440	190,796,909	16,669,672
Unsecured Wholesale Funding	56,646,341	23,846,068	94,655,842	51,048,880
Secured Funding Transactions	12,783,142	-	14,732,689	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	89,473,559	5,452,091	107,203,570	2,705,756
Additional Requirements	2,640,866	2,640,866	4,904,214	4,904,214
<b>Total Cash Inflows</b>	<b>36,393,939</b>	<b>27,758,154</b>	<b>35,452,649</b>	<b>22,279,742</b>
Maturing Secured Lending Transactions Backed by Collateral	21,100,396	19,821,972	11,576,883	10,841,636
Committed Facilities	1,000,000		1,000,000	
Other Inflows by Counterparty which are Maturing within 30 Days	11,518,808	6,548,814	19,254,745	9,627,595
Operational Deposits	-	-	-	-
Other Cash Inflows	2,774,735	1,387,368	3,621,020	1,810,510
Liquidity Coverage Ratio (%) (Stock of		245.68		135.32
High Quality Liquid Assets/Total Net Cash				
<b>Outflows over the Next 30 Calendar Days) *100</b>				

# 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)	13,182,025	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 September 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 <sup>(ii)</sup>
Claims on central Government and CBSL	89,680,298	54,416,546	89,680,298	4,278,142	578,157	1%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	0%
Claims on public sector entities	12,347,602	3,739	-	1,870	1,870	100%
Claims on official entities and multilateral development banks	-	-	-	-	-	0%
Claims on banks exposures	11,467,053	1,462,021	11,467,053	155,643	3,013,369	26%
Claims on financial institutions	9,683,264	-	9,683,264	-	6,704,024	69%
Claims on corporates	196,224,449	27,408,259	178,290,092	16,723,774	190,372,495	98%
Retail claims	136,813,748	7,597,003	136,813,748	6,467,377	113,785,783	79%
Claims secured by residential property	14,274,890	-	14,274,890	-	4,996,212	35%
Claims secured by commercial real estate	2,882,509	-	2,882,509	-	2,882,509	100%
Non-performing assets (NPAs)(i)	18,478,740	-	18,478,740	-	21,618,089	117%
Higher-risk categories	493,874	-	493,874	-	1,234,685	250%
Cash items and other assets	24,312,114	76,107,910	24,312,114	-	16,440,187	68%
<b>Total</b>	<b>516,658,541</b>	<b>166,995,478</b>	<b>486,376,582</b>	<b>27,626,806</b>	<b>361,627,380</b>	

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 September 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 <sup>(iii)</sup>
Claims on central Government and CBSL	89,680,298	54,416,546	89,680,298	4,278,142	578,157	1%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	-
Claims on public sector entities	12,347,602	3,739	-	1,870	1,870	100%
Claims on official entities and multilateral development banks	-	-	-	-	-	-
Claims on banks exposures	11,502,990	1,462,021	11,502,990	155,643	3,031,175	26%
Claims on financial institutions	9,683,264	-	9,683,264	-	6,704,024	69%
Claims on corporates	195,987,415	27,408,259	178,053,058	16,723,774	190,135,461	98%
Retail claims	136,813,748	7,597,003	136,813,748	6,467,377	113,785,783	79%
Claims secured by residential property	14,274,890	-	14,274,890	-	4,996,212	35%
Claims secured by commercial real estate	2,882,509	-	2,882,509	-	2,882,509	100%
Non-performing assets (NPAs)(i)	18,478,740	-	18,478,740	-	21,618,089	117%
Higher-risk categories	529,367	-	529,367	-	1,323,417	250%
Cash items and other assets	25,009,836	76,107,910	25,009,836	-	17,129,921	68%
<b>Total</b>	<b>517,190,659</b>	<b>166,995,478</b>	<b>486,908,700</b>	<b>27,626,806</b>	<b>362,186,618</b>	

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 September 2022 (Bank)	RWA Amount (LKR'000) 30th September 2022 (Group)
<b>(a) RWA for Interest Rate Risk</b>	<b>264,104</b>	<b>264,104</b>
General Interest Rate Risk	264,104	264,104
(i) Net long or short position	264,104	264,104
(ii) Horizontal disallowance	-	-
(iii) Vertical disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
<b>(b) RWA for Equity</b>	<b>1,977</b>	<b>1,977</b>
(i) General equity risk	1,177	1,177
(ii) Specific equity risk	800	800
<b>(c) RWA for foreign exchange &amp; gold</b>	<b>902,175</b>	<b>902,175</b>
<b>Capital charge for market risk [(a) + (b) + (c)] * CAR</b>	<b>9,346,048</b>	<b>9,346,048</b>

**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 September		
			2022	2021	2020
The Basic Indicator Approach	15%		26,148,423	15,832,783	15,345,692
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	2,866,345				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	22,930,759				
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 September		
			2022	2021	2020
The Basic Indicator Approach	15%		26,672,564	16,258,646	15,728,721
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	2,932,997				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	23,463,972				
The Standardised Approach					
The Alternative Standardised Approach					