



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

(Audited)

31st December 2022

Key Regulatory Ratios - Capital and Liquidity

Item	31.12.2022		31.12.2021	
	Bank	Group	Bank	Group
Regulatory Capital (LKR '000)				
Regulatory Capital (LKR '000)				
Common Equity Tier 1	36,818,873	36,381,997	34,259,288	34,265,838
Tier 1 Capital	36,818,873	36,381,998	34,259,288	34,265,838
Total Capital	48,004,800	47,574,241	47,968,017	47,974,567
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement- 7.00%)	10.09%	9.94%	9.31%	9.28%
Tier 1 Capital Ratio (Minimum Requirement- 8.50%)	10.09%	9.94%	9.31%	9.28%
Total Capital Ratio (Minimum Requirement - 12.50%)	13.15%	12.99%	13.03%	13.00%
Statutory Liquid Assets (LKR'000)	122,283,753	N/A	124,519,853	N/A
Statutory Liquid Assets Ratio (20%)				
Total Bank Operations (%)	26.36%	N/A	N/A	N/A
Domestic Banking Unit (%)	-	N/A	21.60%	N/A
Off-Shore Banking Unit (%)	-	N/A	41.79%	N/A
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement - 90%)	289.85%	N/A	152.86%	N/A
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement - 90%)	202.34%	N/A	136.18%	N/A

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)			
	31.12.2022		31.12.2021	
	Bank	Group	Bank	Group
Common Equity Tier 1 (CET1) Capital after Adjustments	36,818,873	36,381,997	34,259,288	34,265,838
Common Equity Tier 1 (CET1) Capital	52,778,734	56,909,693	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	2,874,968	2,874,968	2,746,968	2,746,968
Published Retained Earnings/(Accumulated Retained Losses)	22,600,898	26,731,857	22,091,649	25,831,589
Published Accumulated Other Comprehensive Income (OCI)	341,004	341,004	(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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-		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	15,959,861	20,527,696	12,427,831	16,170,712
Goodwill (net)	-	156,226	-	156,226
Intangible Assets (net)	2,198,042	2,218,827	2,227,577	2,252,589
Others (Deferred tax assets, Cash Flow hedge reserve, Investment in capital of banks and financial institutions)	13,761,819	18,152,643	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	11,185,927	11,192,244	13,708,729	13,708,729
Tier 2 Capital	11,185,927	11,192,244	13,708,729	13,708,729
Qualifying Tier 2 Capital Instruments	7,039,040	7,039,040	10,511,268	10,511,268
Revaluation Gains	-	-	-	-
Loan Loss Provisions	4,146,887	4,153,204	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	36,818,873	36,381,997	34,259,288	34,265,838
Total Tier 1 Capital	36,818,873	36,381,997	34,259,288	34,265,838
Total Capital	48,004,800	47,574,241	47,968,017	47,974,567

	Amount (LKR '000)			
	31.12.2022		31.12.2021	
	Bank	Group	Bank	Group
Total Risk Weighted Assets (RWA)				
RWAs for Credit Risk	331,750,969	332,256,324	339,260,886	339,722,423
RWAs for Market Risk	8,391,648	8,391,648	10,005,925	10,005,925
RWAs for Operational Risk	24,960,191	25,491,894	18,909,993	19,380,488
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	10.09%	9.94%	9.31%	9.28%
of which: Capital Conservation Buffer (%)	2.50%	2.50%	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 (%)	10.09%	9.94%	9.31%	9.28%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	13.15%	12.99%	13.03%	13.00%
of which: Capital Conservation Buffer (%)	2.50%	2.50%	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)	
	31.12.2022 BANK	31.12.2022 GROUP	31.12.2021 BANK	31.12.2021 GROUP
Tier 1 Capital	36,818,873	36,381,997	34,259,288	34,265,838
Total Exposures	621,004,625	620,033,354	518,666,776	517,675,471
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	527,140,776	526,169,505	469,824,183	468,832,878
Derivative Exposures	68,966,546	68,966,546	17,703,013	17,703,013
Securities Financing Transaction Exposures	2,467,643	2,467,643	2,972,983	2,972,983
Other Off-Balance Sheet Exposures	22,429,660	22,429,660	28,166,597	28,166,597
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	5.93%	5.87%	6.61%	6.62%

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

Item	Amount (LKR'000)			
	31.12.2022		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)	102,328,524	101,602,039	70,028,983	69,396,761
Total Adjusted Level 1A Assets	99,703,368	99,703,368	68,764,540	68,764,540
Level 1 Assets	99,703,368	99,703,368	68,764,540	68,764,540
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	1,674,550	1,423,368	1,264,443	632,221
Level 2B Assets	950,605	475,303	1,264,443	632,221
Total Cash Outflows	504,176,303	89,429,231	489,106,855	82,706,774
Deposits	272,209,694	24,203,659	216,527,162	19,537,298
Unsecured Wholesale Funding	106,359,474	53,600,766	101,848,746	44,806,790
Secured Funding Transactions	4,092,627	-	2,386,304	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	117,507,661	7,617,961	161,230,438	11,248,480
Additional Requirements	4,006,846	4,006,846	7,114,205	7,114,205
Total Cash Inflows	54,047,087	39,216,666	45,460,680	31,747,827
Maturing Secured Lending Transactions Backed by Collateral	22,184,855	21,240,548	18,586,621	17,283,217
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are maturing within 30 Days	24,533,688	17,898,106	19,302,269	12,796,237
Operational Deposits	7,172,519	-	4,613,190	-
Other Cash Inflows	156,025	78,013	2,958,599	1,668,373
Liquidity Coverage Ratio (%) (Stock of		202.34		136.18
High Quality Liquid Assets/Total Net Cash				
Outflows over the Next 30 Calendar Days) *100				

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

Item	Amount (LKR'000)			
	31.12.2022		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)	100,501,922	100,026,619	63,872,699	63,211,781
Total Adjusted Level 1A Assets	99,551,317	99,551,317	62,550,864	62,550,864
Level 1 Assets	99,551,317	99,551,317	62,550,864	62,550,864
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	950,605	475,303	1,321,835	660,918
Level 2B Assets	950,605	475,303	1,321,835	660,918
Total Cash Outflows	407,234,696	61,192,078	423,205,152	68,030,524
Deposits	242,096,752	21,192,364	198,578,248	17,742,407
Unsecured Wholesale Funding	62,200,762	30,953,525	74,994,769	33,888,212
Secured Funding Transactions	4,092,627	-	2,386,304	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	95,675,249	5,876,882	141,111,240	10,265,313
Additional Requirements	3,169,306	3,169,306	6,134,592	6,134,592
Total Cash Inflows	32,372,540	26,682,614	34,756,791	26,797,017
Maturing Secured Lending Transactions Backed by Collateral	20,794,949	19,850,642	15,156,024	13,852,619
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	11,421,566	6,753,960	17,020,316	11,654,172
Operational Deposits	-	-	-	-
Other Cash Inflows	156,025	78,013	2,580,452	1,290,226
Liquidity Coverage Ratio (%) (Stock of		289.85		152.86
High Quality Liquid Assets/Total Net Cash				
Outflows over the Next 30 Calendar Days) *100				

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	Securities and Exchange Commission Act No. 36 of 1987 (as amended), Colombo Stock Exchange Regulations				
Original Date of Issuance	May 1956 to May 2019	9th November 2016	26th March 2018	26th March 2018	23 October 2020	23 October 2020
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	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 31st December 2022)	13,182,025	1,208,628	582,694	2,451,918	2,590,800	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% p.a	12.60% p.a	13.00% p.a	9.00% p.a	9.25% p.a
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Nonconvertible	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 during the three months (0-3) period, immediately preceding the date of the Trigger Event.	Based on the simple average of the daily Volume Weighted Average Price (VWAP) of an ordinary voting shares during the three months (0-3) period, immediately preceding the date of the Trigger Event.	Based on the simple average of the daily Volume Weighted Average Price (VWAP) of an ordinary voting shares during the three months (0-3) period, immediately preceding the date of the Trigger Event.	Based on the simple average of the daily Volume Weighted Average Price (VWAP) of an ordinary voting shares during the three months (0-3) period, immediately preceding the date of the Trigger Event.

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

Asset Class	Amount (LKR'000) as at 31st December 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	143,916,614	53,183,986	143,916,614	4,180,549	726,114	0%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	0%
Claims on public sector entities	12,761,124	3,739	-	1,870	1,870	100%
Claims on official entities and multilateral development banks	-	-	-	-	-	0%
Claims on banks exposures	19,004,404	8,710,665	19,004,404	300,229	6,248,007	32%
Claims on financial institutions	8,749,330	-	8,749,330	-	6,141,995	70%
Claims on corporates	199,602,404	28,193,439	163,826,635	16,177,194	176,517,585	98%
Retail claims	120,592,703	7,349,735	120,592,703	6,172,750	99,476,195	78%
Claims secured by residential property	13,062,046	-	13,062,046	-	4,571,716	35%
Claims secured by commercial real estate	2,607,521	-	2,607,521	-	2,607,521	100%
Non-performing assets (NPAs)(i)	22,105,677	-	22,105,677	-	26,504,249	120%
Higher-risk categories	459,798	-	459,798	-	1,149,495	250%
Cash items and other assets	16,756,381	85,797,195	16,756,381	-	7,806,222	47%
Total	559,618,002	183,238,759	511,081,109	26,832,592	331,750,969	

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 December 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 ⁽ⁱⁱ⁾
Claims on central Government and CBSL	143,916,614	53,183,986	143,916,614	4,180,549	726,114	0%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	0%
Claims on public sector entities	12,761,124	3,739	-	1,870	1,870	100%
Claims on official entities and multilateral development banks	-	-	-	-	-	0%
Claims on banks exposures	19,061,688	8,710,665	19,061,688	300,229	6,271,309	32%
Claims on financial institutions	8,749,330	-	8,749,330	-	6,141,995	70%
Claims on corporates	199,365,369	28,193,439	163,589,599	16,177,194	176,280,550	98%
Retail claims	120,592,703	7,349,735	120,592,703	6,172,750	99,476,195	78%
Claims secured by residential property	13,062,046	-	13,062,046	-	4,571,716	35%
Claims secured by commercial real estate	2,607,521	-	2,607,521	-	2,607,521	100%
Non-performing assets (NPAs)(i)	22,105,677	-	22,105,677	-	26,504,249	120%
Higher-risk categories	499,675	-	499,675	-	1,249,189	250%
Cash items and other assets	17,379,848	85,797,195	17,379,848	-	8,425,616	48%
Total	560,101,595	183,238,759	511,564,701	26,832,592	332,256,324	

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 December 2022 (Bank)	RWA Amount (LKR'000) 31st December 2022 (Group)
(a) RWA for Interest Rate Risk	522,681	522,681
General Interest Rate Risk	522,681	522,681
(i) Net long or short position	522,681	522,681
(ii) Horizontal disallowance	-	-
(iii) Vertical disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
(b) RWA for Equity	137,147	137,147
(i) General equity risk	74,871	74,871
(ii) Specific equity risk	62,276	62,276
(c) RWA for foreign exchange & gold	389,128	389,128
Capital charge for market risk [(a) + (b) + (c)] * CAR	8,391,648	8,391,648

**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 December		
			2022	2021	2020
The Basic Indicator Approach	15%		30,754,816	17,111,682	14,533,979
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	3,120,024				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	24,960,191				
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 December		
			2022	2021	2020
The Basic Indicator Approach	15%		31,340,648	17,519,559	14,869,527
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	3,186,487				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	25,491,894				
The Standardised Approach					
The Alternative Standardised Approach					