



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

(Audited)

30th June 2023

Key Regulatory Ratios - Capital and Liquidity

Item	30.06.2023		31.12.2022	
	Bank	Group	Bank	Group
Regulatory Capital (LKR '000)				
Regulatory Capital (LKR '000)				
Common Equity Tier 1	41,345,820	40,710,583	36,818,873	36,381,998
Tier 1 Capital	41,345,820	40,710,583	36,818,873	36,381,998
Total Capital	51,011,796	50,383,649	48,004,800	47,574,242
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement- 7.00%)	11.42%	11.22%	10.09%	9.94%
Tier 1 Capital Ratio (Minimum Requirement- 8.50%)	11.42%	11.22%	10.09%	9.94%
Total Capital Ratio (Minimum Requirement - 12.50%)	14.09%	13.89%	13.15%	12.99%
Statutory Liquid Assets (LKR'000)	158,748,862	N/A	122,283,753	N/A
Statutory Liquid Assets Ratio (20%)				
Total Bank Operations (%)	31.88%	N/A	26.36%	N/A
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement - 90%)	480.16%	N/A	289.85%	N/A
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement - 90%)	305.06%	N/A	202.34%	N/A

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)			
	30.06.2023		31.12.2022	
	Bank	Group	Bank	Group
Common Equity Tier 1 (CET1) Capital after Adjustments	41,345,820	40,710,583	36,818,873	36,381,998
Common Equity Tier 1 (CET1) Capital	57,819,518	61,939,726	52,778,734	56,909,694
Equity Capital (Stated Capital)/Assigned Capital	13,866,557	13,866,557	13,182,025	13,182,025
Reserve Fund	2,874,968	2,874,968	2,874,968	2,874,968
Published Retained Earnings/(Accumulated Retained Losses)	21,806,317	25,926,525	22,600,898	26,731,858
Published Accumulated Other Comprehensive Income (OCI)	341,004	341,004	341,004	341,004
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	5,150,833	5,150,833	-	-
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties				
Total Adjustments to CET1 Capital	16,473,698	21,229,143	15,959,861	20,527,696
Goodwill (net)	-	156,226	-	156,226
Intangible Assets (net)	1,993,998	2,010,403	2,198,042	2,218,827
Others (Deferred tax assets, Cash Flow hedge reserve, Investment in capital of banks and financial institutions)	14,479,700	19,062,514	13,761,819	18,152,643
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	9,665,976	9,673,066	11,185,927	11,192,244
Tier 2 Capital	9,665,976	9,673,066	11,185,927	11,192,244
Qualifying Tier 2 Capital Instruments	5,639,040	5,639,040	7,039,040	7,039,040
Revaluation Gains	-	-	-	-
Loan Loss Provisions	4,026,936	4,034,026	4,146,887	4,153,204
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	41,345,820	40,710,583	36,818,873	36,381,998
Total Tier 1 Capital	41,345,820	40,710,583	36,818,873	36,381,998
Total Capital	51,011,796	50,383,649	48,004,800	47,574,242

	Amount (LKR '000)			
	30.06.2023		31.12.2022	
	Bank	Group	Bank	Group
Total Risk Weighted Assets (RWA)				
RWAs for Credit Risk	322,154,875	322,272,072	331,750,969	332,256,322
RWAs for Market Risk	10,407,528	10,407,528	8,391,648	8,391,648
RWAs for Operational Risk	29,613,224	30,048,496	24,960,190	25,491,894
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	11.42%	11.22%	10.09%	9.94%
of which: Capital Conservation Buffer (%)	2.50%	2.50%	2.50%	2.50%
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 (%)	11.42%	11.22%	10.09%	9.94%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	14.09%	13.89%	13.15%	12.99%
of which: Capital Conservation Buffer (%)	2.50%	2.50%	2.50%	2.50%
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)	
	30.06.2023 BANK	30.06.2023 GROUP	31.12.2022 BANK	31.12.2022 GROUP
Tier 1 Capital	41,345,820	40,710,583	36,818,873	36,581,997
Total Exposures	641,030,516	640,152,961	621,004,625	620,033,354
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	558,176,546	562,054,436	527,140,776	526,169,505
Derivative Exposures	76,095,441	76,095,441	68,966,546	68,966,546
Securities Financing Transaction Exposures	1,713,348	1,713,348	2,467,643	2,467,643
Other Off-Balance Sheet Exposures	21,518,880	21,518,880	22,429,660	22,429,660
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	6.45%	6.36%	5.93%	5.87%

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

Item	Amount (LKR'000)			
	30.06.2023		31.12.2022	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	146,024,961	145,160,510	102,328,524	101,602,039
Total Adjusted Level 1A Assets	143,096,875	143,096,875	99,703,368	99,703,368
Level 1 Assets	143,096,875	143,096,875	99,703,368	99,703,368
Total Adjusted Level 2A Assets	1,713,119	1,456,151	-	-
Level 2A Assets	1,713,119	1,456,151	-	-
Total Adjusted Level 2B Assets	1,214,967	607,484	1,674,550	1,423,368
Level 2B Assets	1,214,967	607,484	950,605	475,303
Total Cash Outflows	533,407,742	83,272,964	504,176,303	89,429,231
Deposits	285,362,649	26,057,646	272,209,694	24,203,659
Unsecured Wholesale Funding	98,161,376	47,226,445	106,359,474	53,600,766
Secured Funding Transactions	19,468,569	-	4,092,627	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	128,881,019	8,454,744	117,507,661	7,617,961
Additional Requirements	1,534,129	1,534,129	4,006,846	4,006,846
Total Cash Inflows	48,228,990	35,689,428	54,047,087	39,216,666
Maturing Secured Lending Transactions Backed by Collateral	23,209,294	21,578,669	22,184,855	21,240,548
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are maturing within 30 Days	20,029,660	14,027,911	24,533,688	17,898,106
Operational Deposits	4,824,339	-	7,172,519	-
Other Cash Inflows	165,697	82,848	156,025	78,013
Liquidity Coverage Ratio (%) (Stock of		305.06		202.34
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)			
	30.06.2023		31.12.2022	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	144,164,066	143,556,583	100,501,922	100,026,619
Total Adjusted Level 1A Assets	142,949,099	142,949,099	99,551,317	99,551,317
Level 1 Assets	142,949,099	142,949,099	99,551,317	99,551,317
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	1,214,967	607,484	950,605	475,303
Level 2B Assets	1,214,967	607,484	950,605	475,303
Total Cash Outflows	433,611,281	58,991,198	407,234,696	61,192,078
Deposits	254,282,619	22,949,643	242,096,752	21,192,364
Unsecured Wholesale Funding	59,464,403	28,985,292	62,200,762	30,953,525
Secured Funding Transactions	19,468,569	-	4,092,627	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	99,553,597	6,214,170	95,675,249	5,876,882
Additional Requirements	842,093	842,093	3,169,306	3,169,306
Total Cash Inflows	35,086,850	29,093,429	32,372,540	26,682,614
Maturing Secured Lending Transactions Backed by Collateral	21,482,244	19,851,619	20,794,949	19,850,642
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	13,438,909	9,158,962	11,421,566	6,753,960
Operational Deposits	-	-	-	-
Other Cash Inflows	165,697	82,848	156,025	78,013
Liquidity Coverage Ratio (%)				
High Quality Liquid Assets/Total Net Cash		480.16		290.00
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 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
Unique Identifier (e.g., ISIN or Bloomberg Identifier for Private Placement)	LK0055N00000	C-2367	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	23 October 2020	23 October 2020
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 2023	29th March 2025	23 October 2025	23 October 2027
Amount Recognised in Regulatory Capital (in LKR '000 as at 30th June 2023)	13,866,557	1,208,628	1,634,612	2,590,800	205,000
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	12.75% 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
Convertible or Non-Convertible	Non-convertible	Non-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
If Convertible, Fully or Partially	N/A	N/A	Fully	Fully	Fully
If Convertible, Mandatory or Optional	N/A	N/A	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.

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

Asset Class	Amount (LKR'000) as at 30th June 2023 (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	187,119,387	45,445,678	187,119,387	3,575,200	1,049,239	1%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	0%
Claims on public sector entities	12,981,189	-	-	-	-	0%
Claims on official entities and multilateral development banks	-	-	-	-	-	0%
Claims on banks exposures	8,749,841	20,289,882	8,749,841	530,453	3,374,590	36%
Claims on financial institutions	7,761,567	-	7,761,567	-	5,803,679	75%
Claims on corporates	173,915,127	29,942,212	146,133,629	15,494,055	159,450,201	99%
Retail claims	107,232,024	7,719,330	107,232,024	5,931,914	90,133,988	80%
Claims secured by residential property	11,158,179	-	11,158,179	-	3,905,363	35%
Claims secured by commercial real estate	15,849,561	-	15,849,561	-	15,849,561	100%
Non-performing assets (NPAs)(i)	28,687,317	-	28,687,317	-	33,433,329	117%
Higher-risk categories	510,155	-	510,155	-	1,275,387	250%
Cash items and other assets	15,590,904	94,681,529	15,590,904	-	7,879,538	51%
Total	569,555,251	198,078,631	528,792,564	25,531,622	322,154,875	

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 2023 (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 ⁽ⁱⁱⁱ⁾
Claims on central Government and CBSL	187,119,387	45,445,678	187,119,387	3,575,200	1,049,239	1%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	0%
Claims on public sector entities	12,981,189	-	-	-	-	0%
Claims on official entities and multilateral development banks	-	-	-	-	-	0%
Claims on banks exposures	8,823,719	20,289,882	8,823,719	530,453	3,401,192	36%
Claims on financial institutions	7,761,567	-	7,761,567	-	5,803,679	75%
Claims on corporates	173,228,092	29,942,212	145,446,594	15,494,055	158,763,166	99%
Retail claims	107,232,024	7,719,330	107,232,024	5,931,914	90,133,988	80%
Claims secured by residential property	11,158,179	-	11,158,179	-	3,905,363	35%
Claims secured by commercial real estate	15,849,561	-	15,849,561	-	15,849,561	100%
Non-performing assets (NPAs)(i)	28,687,317	-	28,687,317	-	33,433,329	117%
Higher-risk categories	549,799	-	549,799	-	1,374,497	250%
Cash items and other assets	16,291,725	94,681,529	16,291,725	-	8,558,059	53%
Total	569,682,559	198,078,631	528,919,872	25,531,622	322,272,073	

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 2023 (Bank)	RWA Amount (LKR'000) 30th June 2023 (Group)
(a) RWA for Interest Rate Risk	1,047,612	1,047,612
General Interest Rate Risk	1,047,612	1,047,612
(i) Net long or short position	1,047,612	1,047,612
(ii) Horizontal disallowance	-	-
(iii) Vertical disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
(b) RWA for Equity	174,425	174,425
(i) General equity risk	96,932	96,932
(ii) Specific equity risk	77,493	77,493
(c) RWA for foreign exchange & gold	78,904	78,904
Capital charge for market risk [(a) + (b) + (c)] * CAR	10,407,528	10,407,528

**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		
			2023	2022	2021
The Basic Indicator Approach	15%		37,773,550	21,675,202	14,584,312
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	3,701,653				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	29,613,224				
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		
			2023	2022	2021
The Basic Indicator Approach	15%		38,374,888	22,160,531	14,585,820
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	3,756,062				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	30,048,496				
The Standardised Approach					
The Alternative Standardised Approach					