



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

(Non Audited)

30th September 2020

Key Regulatory Ratios - Capital and Liquidity

Item	30.09.2020		31.12.2019	
	Bank	Group	Bank	Group
Regulatory Capital (LKR '000)				
Common Equity Tier 1	34,681,132	34,459,408	34,824,554	34,908,304
Tier 1 Capital	34,681,132	34,459,408	34,824,554	34,908,304
Total Capital	47,966,517	47,744,793	48,542,925	48,626,675
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2020 - 6.50% and 2019 - 7.00%)	10.87%	10.77%	11.34%	11.33%
Tier 1 Capital Ratio (Minimum Requirement - 2020 - 8.00% and 2019- 8.50%)	10.87%	10.77%	11.34%	11.33%
Total Capital Ratio (Minimum Requirement - 2020 - 12.00% and 2019 - 12.50%)	15.03%	14.92%	15.81%	15.78%
Regulatory Liquidity				
Statutory Liquid Assets (LKR'000)	126,073,218	N/A	90,664,914	N/A
Statutory Liquid Assets Ratio (20%)				
Domestic Banking Unit (%)	31.46%	N/A	23.55%	N/A
Off-Shore Banking Unit (%)	45.76%	N/A	53.07%	N/A
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement - 90%)	230.64%	N/A	234.22%	N/A
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement - 90%)	175.96%	N/A	140.53%	N/A

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)			
	30.09.2020		31.12.2019	
	Bank	Group	Bank	Group
Common Equity Tier 1 (CET1) Capital after Adjustments	34,681,132	34,459,409	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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	3,117,711	3,117,711		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	10,297,407	13,569,332	7,175,710	10,142,162
Goodwill (net)	97,036	156,226	97,036	156,226
Intangible Assets (net)	1,539,621	1,556,578	1,184,659	1,205,923
Others (investment in capital of banks and financial institutions)	8,660,750	11,856,528	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	13,285,385	13,285,385	13,718,371	13,718,371
Tier 2 Capital	13,285,385	13,285,385	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	2,233,517	2,233,517	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	34,681,132	34,459,409	34,824,554	34,908,304
Total Tier 1 Capital	34,681,132	34,459,409	34,824,554	34,908,304
Total Capital	47,966,517	47,744,794	48,542,925	48,626,675

	Amount (LKR '000)			
	30.09.2020		31.12.2019	
	Bank	Group	Bank	Group
Total Risk Weighted Assets (RWA)				
RWAs for Credit Risk	288,430,299	288,945,970	274,009,885	274,759,093
RWAs for Market Risk	13,104,158	13,104,158	16,956,352	16,956,352
RWAs for Operational Risk	17,581,234	18,013,597	16,074,112	16,479,374
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	10.87%	10.77%	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 (%)	10.87%	10.77%	11.34%	11.33%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	15.03%	14.92%	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)	
	30.09.2020 BANK	30.09.2020 GROUP	31.12.2019 BANK	31.12.2019 GROUP
Tier 1 Capital	34,681,131	34,459,408	34,824,554	34,908,304
Total Exposures	490,606,787	489,647,281	460,516,043	459,563,903
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	438,637,443	437,677,936	395,302,362	394,350,222
Derivative Exposures	27,342,272	27,342,272	34,403,158	34,403,158
Securities Financing Transaction Exposures	1,363,086	1,363,086	2,419,209	2,419,209
Other Off-Balance Sheet Exposures	23,263,987	23,263,987	28,391,314	28,391,314
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	7.07%	7.04%	7.56%	7.60%

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

Item	Amount (LKR'000)			
	30.09.2020		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)	94,152,944	93,649,443	69,787,641	69,287,520
Total Adjusted Level 1A Assets	93,145,943	93,145,943	68,787,399	68,787,399
Level 1 Assets	93,145,943	93,145,943	68,787,399	68,787,399
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	1,007,001	503,500	1,000,242	500,121
Level 2B Assets	1,007,001	503,500	1,000,242	500,121
Total Cash Outflows	408,750,579	83,987,156	371,758,699	70,252,115
Deposits	181,024,544	15,933,675	147,120,308	12,580,009
Unsecured Wholesale Funding	115,876,541	60,239,233	103,187,321	49,175,375
Secured Funding Transactions	2,562,693		9,512,615	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	106,282,047	4,809,495	109,145,071	5,703,347
Additional Requirements	3,004,754	3,004,754	2,793,384	2,793,384
Total Cash Inflows	46,822,336	30,766,445	32,247,053	20,948,383
Maturing Secured Lending Transactions Backed by Collateral	13,660,042	11,281,835	11,019,081	10,864,930
Committed Facilities	1,000,000		1,000,000	-
Other Inflows by Counterparty which are maturing within 30 Days	28,376,298	17,919,875	17,265,465	8,722,163
Operational Deposits	1,218,779		871,364	-
Other Cash Inflows	2,567,217	1,564,735	2,091,143	1,361,290
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash		175.96		140.53
Outflows over the Next 30 Calendar Days) *100				

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

Item	Amount (LKR'000)			
	30.09.2020		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)	88,137,662	87,634,161	67,502,165	67,002,044
Total Adjusted Level 1A Assets	87,130,661	87,130,661	66,501,923	66,501,923
Level 1 Assets	87,130,661	87,130,661	66,501,923	66,501,923
Total Adjusted Level 2A Assets			-	-
Level 2A Assets			-	-
Total Adjusted Level 2B Assets	1,007,001	503,500	1,000,242	500,121
Level 2B Assets	1,007,001	503,500	1,000,242	500,121
Total Cash Outflows	337,754,464	66,234,788	290,363,031	47,293,395
Deposits	169,676,573	14,823,398	140,992,846	11,999,556
Unsecured Wholesale Funding	86,413,411	47,064,218	60,638,199	30,809,652
Secured Funding Transactions	2,562,693		9,512,615	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	76,346,372	1,591,757	76,944,718	2,209,534
Additional Requirements	2,755,415	2,755,415	2,274,653	2,274,653
Total Cash Inflows	39,248,621	28,238,289	27,887,066	18,686,633
Maturing Secured Lending Transactions Backed by Collateral	11,028,450	10,900,242	10,615,642	10,461,491
Committed Facilities	1,000,000		1,000,000	-
Other Inflows by Counterparty which are Maturing within 30 Days	25,215,206	16,335,564	14,811,718	7,495,289
Operational Deposits			-	-
Other Cash Inflows	2,004,965	1,002,483	1,459,706	729,853
Liquidity Coverage Ratio (%) (Stock of		230.64		234.22
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 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
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	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**

Asset Class	Amount (LKR'000) as at 30th September 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	118,969,088	-	118,969,088	-	2,565,015	2%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	-
Claims on public sector entities	11,819,469	805,408	-	402,704	402,704	100%
Claims on official entities and multilateral development banks	-	-	-	-	-	-
Claims on banks exposures	2,951,805	33,751,150	2,951,805	675,415	1,278,513	35%
Claims on financial institutions	13,121,936	-	13,121,936	-	7,865,498	60%
Claims on corporates	125,436,596	44,667,509	109,339,121	18,802,616	122,999,746	96%
Retail claims	45,357,185	-	45,357,185	-	32,484,217	72%
Claims secured by residential property	10,423,605	-	10,423,605	-	7,509,525	72%
Claims secured by commercial real estate	89,619,039	1,810,565	89,619,039	1,810,565	91,429,604	100%
Non-performing assets (NPAs)(i)	8,023,192	-	8,023,192	-	8,377,405	104%
Higher-risk categories	431,953	-	431,953	-	1,079,883	250%
Cash items and other assets	13,265,239	69,240,402	13,265,239	3,733,875	12,438,188	73%
Total	439,419,107	150,275,034	411,502,163	25,425,175	288,430,298	

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 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	118,969,088	-	118,969,088	-	2,565,015	2%
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	-
Claims on public sector entities	11,819,469	805,408	-	402,704	402,704	100%
Claims on official entities and multilateral development banks	-	-	-	-	-	-
Claims on banks exposures	2,982,437	33,751,150	2,982,437	675,415	1,293,562	35%
Claims on financial institutions	13,121,939	-	13,121,939	-	7,865,498	60%
Claims on corporates	125,360,537	44,667,509	109,263,063	18,802,616	122,923,687	96%
Retail claims	45,357,185	-	45,357,185	-	32,484,217	72%
Claims secured by residential property	10,423,605	-	10,423,605	-	7,509,525	72%
Claims secured by commercial real estate	89,619,039	1,810,565	89,619,039	1,810,565	91,429,604	100%
Non-performing assets (NPAs)(i)	8,023,192	-	8,023,192	-	8,377,405	104%
Higher-risk categories	461,991	-	461,991	-	1,154,978	250%
Cash items and other assets	13,775,962	69,240,402	13,775,962	3,733,875	12,939,774	74%
Total	439,914,444	150,275,034	411,997,501	25,425,175	288,945,969	

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.

Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) 30th September 2020 (Bank)	RWA Amount (LKR'000) 30th September 2020 (Group)
(a) RWA for Interest Rate Risk	1,556,680	1,556,680
General Interest Rate Risk	1,556,680	1,556,680
(i) Net long or short position	1,556,680	1,556,680
(ii) Horizontal disallowance	-	-
(iii) Vertical disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
(b) RWA for Equity	3,387	3,387
(i) General equity risk	2,032	2,032
(ii) Specific equity risk	1,355	1,355
(c) RWA for foreign exchange & gold	12,432	12,432
Capital charge for market risk [(a) + (b) + (c)] * CAR	13,104,158	13,104,158

**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		
			2020	2019	2018
The Basic Indicator Approach	15%		15,446,114	13,892,525	12,856,321
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	2,109,748				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	17,581,234				
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		
			2020	2019	2018
The Basic Indicator Approach	15%		15,617,834	14,280,639	13,334,160
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	2,161,632				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	18,013,597				
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**

Item	Amount (LKR '000) as at 30th September 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	6,581,405	6,578,964	6,578,964		
Balances with Central Bank of Sri Lanka	4,833,713	4,833,713	4,833,713		
Placements with Banks	7,455,920	7,455,920	7,455,920		
Derivative financial assets	529,525	529,525	-		529,525
Financial Assets measured at fair value through profit or loss	3,165,215	79,489,846	79,489,846	-	-
Financial assets at amortized cost - Loans to and receivable from banks	9,242,122	-	-		
Financial assets at amortized cost – Loans to and receivables from other customers	298,224,346	301,257,694	274,248,498		27,009,196
Financial assets at amortized cost – Debt and other instruments	24,866,001	39,820,925	31,983,617	16,937	103,945
Financial assets measured at fair value through other comprehensive income	86,657,747	-			
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	3,358,742	3,361,039	3,361,039		
Intangible Assets and goodwill	1,539,621	1,539,621	-		-
Deferred Tax Assets	-				
Other Assets	3,398,231	5,049,943	3,450,288		1,545,110
Total Assets	450,840,172	450,904,774	411,502,164	16,937	29,187,776
Liabilities					
Due to Banks	17,173,867	-			-
Derivative financial liabilities	216,612	-			-
Financial liabilities at amortized cost – Due to depositors	295,752,255	288,826,563			288,826,563
Financial liabilities at amortized cost – Due to other borrowers	50,047,108	81,329,128			81,329,128
Debt Securities in Issue	15,799,374	-			-
Retirement benefit obligation	624,672				
Current Tax Liabilities	929,140	1,429,882			1,429,882
Deferred Tax Liability	571,131	453,359			453,359
Other Liabilities	5,608,076	16,158,456			16,158,456
Subordinated Term Debt	15,201,947	14,000,000	-		2,948,132
Total Liabilities	401,924,182	402,197,388	-	-	391,145,520
Off-Balance Sheet Liabilities					
Guarantees	10,971,242	10,971,241	8,526,867		2,444,374
Performance Bonds	5,276,790	5,276,790	5,126,010		150,780
Letters of Credit and Acceptances	17,283,836	17,283,836	17,098,772		185,063
Other Contingent Items (Bills on Collection and capital expenditure approved by the board)	4,502,355	4,493,340	-		4,493,340
Undrawn Loan Commitments	71,750,180	71,750,180	71,750,180		
Other Commitments (FX commitments)	1,080,600	251,743	47,773,205		
Total Off-Balance Sheet Liabilities	110,865,003	110,027,130	150,275,034	-	7,273,557
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	19,073,476	24,894,019			306,767
Accumulated Other Comprehensive Income	5,918,242	-			3,630,684
Other Reserves	16,241,807	16,130,902			
Total Shareholders' Equity	48,915,990	48,707,386	-	-	3,937,451

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.