



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

(Un Audited)

31st March 2024

Basel III - Disclosures Under Pillar 3 as per the Banking Act Direction No.01 of 2016

Disclosure 1

Key Regulatory Ratios - Capital and Liquidity

	31.03.2024		31.12.2023	
	Bank	Group	Bank	Group
Regulatory Capital (LKR '000)				
Common Equity Tier 1	41,185,802	47,491,186	43,632,490	47,491,186
Tier 1 Capital	41,185,802	47,491,186	43,632,490	47,491,186
Total Capital	56,140,490	55,171,249	51,304,883	55,171,249
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement- 7.00%)	10.39	12.46	11.49	12.46
Tier 1 Capital Ratio (Minimum Requirement- 8.50%)	10.39	12.46	11.49	12.46
Total Capital Ratio (Minimum Requirement - 12.50%)	14.16	14.48	13.51	14.48
Leverage ratio (Minimum requirement – 3%)	6.60	7.18	6.25	6.77
Regulatory Liquidity				
Statutory Liquid Assets (LKR'000)	218,062,560	N/A	189,469,687	N/A
Statutory Liquid Assets Ratio (Minimum Requirement - 20%)				
Total Bank Operations (%)	41.11	N/A	36.63	N/A
Liquidity coverage ratio – Rupee (Minimum requirement : 2024– 100%, 2023 - 100%) (%)	435.91	N/A	715.50	N/A
Liquidity coverage ratio – All currency (Minimum requirement : 2024 - 100%, 2023 - 100%) (%)	286.63	N/A	597.47	N/A
Net stable funding ratio (Minimum requirement : 2024 - 100%, 2023 - 100%) (%)	147.86	N/A	124.60	N/A

Disclosure 2

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)			
	31.03.2024		31.12.2023	
	Bank	Group	Bank	Group
Common Equity Tier 1 (CET1) Capital after Adjustments	41,185,802	45,083,357	43,632,490	47,491,186
Common Equity Tier 1 (CET1) Capital	59,972,871	65,404,321	61,524,384	66,919,617
Equity Capital (Stated Capital)/Assigned Capital	14,710,455	14,710,455	13,866,557	13,866,557
Reserve Fund	3,239,968	3,239,968	3,239,968	3,239,968
Published Retained Earnings/(Accumulated Retained Losses)	26,140,614	31,572,064	28,250,357	33,645,590
Published Accumulated Other Comprehensive Income (OCI)	2,387,663	2,387,663	2,387,663	2,387,663
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	(285,668)	(285,668)	-	-
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
Total Adjustments to CET1 Capital	18,787,069	20,320,964	17,891,894	19,428,431
Goodwill (net)	-	156,226	-	156,226
Intangible Assets (net)	1,837,970	1,854,950	1,926,287	1,945,030
Investment in capital of banks and financial institutions	10,332,541	11,685,431	10,114,730	11,468,498
Others	6,616,558	6,624,357	5,850,877	5,858,677
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	14,954,688	14,962,966	7,672,393	7,680,063
Tier 2 Capital	14,954,688	14,962,966	7,672,393	7,680,063
Qualifying Tier 2 Capital Instruments	10,708,506	10,708,506	3,525,812	3,525,812
Revaluation Gains	-	-	-	-
Loan Loss Provisions	4,246,182	4,254,460	4,146,581	4,154,251
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	41,185,802	45,083,357	43,632,490	47,491,186
Total Tier 1 Capital	41,185,802	45,083,357	43,632,490	47,491,186
Total Capital	56,140,490	60,046,323	51,304,883	55,171,249

	Amount (LKR '000)			
	31.03.2024		31.12.2023	
	Bank	Group	Bank	Group
Total Risk Weighted Assets (RWA)				
RWAs for Credit Risk	339,694,488	340,356,831	331,726,504	332,340,053
RWAs for Market Risk	20,774,680	20,774,680	14,061,808	14,061,808
RWAs for Operational Risk	35,891,783	36,567,664	33,950,018	34,615,939
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	10.39	11.34	11.49	12.46
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 (%)	10.39	11.34	11.49	12.46
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	14.16	15.10	13.51	14.48
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

Disclosure 3

Computation of Leverage Ratio

Item	Amount (LKR '000)		Amount (LKR '000)	
	31.03.2024 BANK	31.03.2024 GROUP	31.12.2023 BANK	31.12.2023 GROUP
Tier 1 Capital	41,185,802	45,083,357	43,632,490	47,491,186
Total Exposures	624,306,107	627,897,698	698,237,531	701,271,268
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	587,905,632	591,497,222	604,132,634	607,166,371
Derivative Exposures	18,144,140	18,144,140	72,602,003	72,602,003
Securities Financing Transaction Exposures	1,974,425	1,974,425	1,974,425	1,974,425
Other Off-Balance Sheet Exposures	16,281,911	16,281,911	19,528,469	19,528,469
Basel III leverage ratio (Minimum requirement 3%) (%)	6.60	7.18	6.25	6.77

Disclosure 4

Basel III Computation of Liquidity Coverage Ratio - All Currencies

Item	Amount (LKR'000)			
	31.03.2024		31.12.2023	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	184,594,250	183,710,053	152,762,344	151,562,260
Total Adjusted Level 1A Assets	182,701,461	182,701,461	148,747,554	148,747,554
Level 1 Assets	182,701,461	182,701,461	148,747,554	148,747,554
Total Adjusted Level 2A Assets	177,707	151,051	2,306,603	1,960,613
Level 2A Assets	177,707	151,051	2,306,603	1,960,613
Total Adjusted Level 2B Assets	1,715,082	857,541	1,708,187	854,093
Level 2B Assets	1,715,082	857,541	1,708,187	854,093
Total Cash Outflows	572,969,206	107,267,714	584,446,642	89,080,919
Deposits	304,570,593	26,900,436	300,166,130	26,997,638
Unsecured Wholesale Funding	132,997,302	71,269,873	109,168,821	53,262,615
Secured Funding Transactions	3,323,436	-	43,752,861	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	130,924,358	7,943,888	130,623,427	8,085,263
Additional Requirements	1,153,516	1,153,516	735,403	735,403
Total Cash Inflows	59,293,399	43,175,145	77,169,785	63,713,421
Maturing secured lending transactions backed by collateral	23,367,058	16,214,926	26,780,604	25,793,392
Committed facilities	-	-	-	-
Other inflows by counterparty which are maturing within 30 Days	33,630,063	26,756,785	46,800,877	37,755,736
Operational deposits	1,935,985	-	3,259,718	-
Other cash inflows	360,293	203,434	328,586	164,293
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)		286.63		597.47
*100 (Minimum requirement - 100%)				

Basel III Computation of Liquidity Coverage Ratio - LKR Only

Item	Amount (LKR'000)			
	31.03.2024		31.12.2023	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	184,227,173	183,369,632	150,243,525	149,389,432
Total Adjusted Level 1A Assets	182,512,090	182,512,090	148,535,338	148,535,338
Level 1 Assets	182,512,090	182,512,090	148,535,338	148,535,338
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	1,715,082	857,541	1,708,187	854,094
Level 2B Assets	1,715,082	857,541	1,708,187	854,094
Total cash outflows	448,145,191	66,626,800	464,356,185	58,215,737
Deposits	271,321,866	23,597,128	264,288,518	23,433,959
Unsecured wholesale funding	69,705,814	36,225,500	55,509,591	28,093,184
Secured funding transactions	3,323,436	-	43,752,860	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	103,101,954	6,112,051	100,069,813	5,953,191
Additional requirements	692,120	692,120	735,403	735,403
Total cash inflows	37,894,368	24,560,443	46,552,914	37,336,837
Maturing secured lending transactions backed by collateral	22,163,172	15,011,039	24,551,225	23,564,013
Committed facilities	-	-	-	-
Other inflows by counterparty which are maturing within 30 Days	15,417,479	9,392,545	21,673,103	13,608,531
Operational deposits	-	-	-	-
Other cash inflows	313,717	156,859	328,586	164,293
Liquidity coverage Ratio (%) (Stock of high quality liquid assets/ total net cash outflows over the next 30 calendar days) *100 (Minimum requirement - 100%)		435.91		715.50

Disclosure 5**Net Stable Funding Ratio (NSFR)**

	BANK	
	31.03.2024	31.12.2023
	(LKR'000)	(LKR'000)
Total available stable funding (ASF)	460,402,678	448,446,564
Total required stable funding (RSF)	311,381,283	359,895,023
Required stable funding – On-balance sheet assets	306,262,061	358,713,526
Required stable funding – Off-balance sheet items	5,119,222	1,181,497
NSFR (Minimum requirement – 2024-100% ,2023 - 100%) (%)	147.86	124.60

Disclosure 6

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument (Bank Only)	Stated Capital	Subordinated Term-debt (2018 - Type B)	Subordinated Term-debt (2020 - Type A)	Subordinated Term-debt (2020 - Type B)	Subordinated Term-debt (2024 - Type A)	Subordinated Term-debt (2024 - 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-2394	C-2458	C-2457	C-2523	C-2524
Governing Law(s) of the Instrument	Companies Act, No. 07 of 2007, Colombo Stock Exchange Regulations					
Original Date of Issuance	N/A	26th March 2018	23 October 2020	23 October 2020	16 January 2024	16 January 2024
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	29th March 2025	23 October 2025	23 October 2027	16 January 2029	16 January 2031
Amount Recognised in Regulatory Capital (in LKR '000 as at 31st March 2024)	14,710,455	817,306	1,727,200	164,000	7,945,230	54,770
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	13.00% p.a	9.00% p.a	9.25% p.a	15.25% p.a	14.75% p.a
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible	Non-convertible	Convertible	Convertible	Convertible	Convertible	Convertible
If Convertible, Conversion Trigger (s)	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	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	Fully	Fully	Fully	Fully	Fully
If Convertible, Mandatory or Optional	N/A	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
If Convertible, Conversion Rate	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.	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.

Disclosure 7

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

Asset Class	Amount (LKR'000) as at 31st March 2024 (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 (%)
Claims on central Government and CBSL	194,532,523	40,403,494	194,532,523	2,960,543	821,692	0%
Claims on foreign sovereigns and their Central Banks	1,780,638	-	1,780,638	-	356,128	20%
Claims on public sector entities	10,150,782	-	-	-	-	0%
Claims on official entities and multilateral development banks	-	-	-	-	-	0%
Claims on banks exposures	20,688,492	31,779,368	20,688,492	643,537	9,579,126	45%
Claims on financial institutions	18,611,808	-	18,611,808	-	15,647,062	84%
Claims on corporates	157,540,234	32,809,436	125,786,919	13,476,079	137,538,378	99%
Retail claims	88,327,864	8,673,476	88,327,864	6,077,303	71,086,419	75%
Claims secured by residential property	10,132,587	-	10,132,587	-	3,546,405	35%
Claims secured by commercial real estate	49,267,715	-	49,267,715	-	49,267,715	100%
Non-performing assets (NPAs)	36,487,624	-	36,487,624	-	43,446,428	119%
Higher-risk categories	508,403	-	508,403	-	1,271,008	250%
Cash items and other assets	17,213,726	87,037,661	17,213,726	-	7,134,127	41%
Total	605,242,396	200,703,435	563,338,299	23,157,462	339,694,488	

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.

Disclosure 7

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

Asset Class	Amount (LKR'000) as at 31st March 2024 (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 (%)
Claims on central Government and CBSL	194,590,769	40,403,494	194,590,769	2,960,543	821,692	0%
Claims on foreign sovereigns and their Central Banks	1,780,638	-	1,780,638	-	356,128	20%
Claims on public sector entities	10,150,782	-	-	-	-	0%
Claims on official entities and multilateral development banks	-	-	-	-	-	0%
Claims on banks exposures	20,740,997	31,779,368	20,740,997	643,537	9,605,378	45%
Claims on financial institutions	18,611,808	-	18,611,808	-	15,647,062	84%
Claims on corporates	157,303,199	32,809,436	125,549,884	13,476,079	137,301,343	99%
Retail claims	88,327,864	8,673,476	88,327,864	6,077,303	71,086,419	75%
Claims secured by residential property	10,132,587	-	10,132,587	-	3,546,405	35%
Claims secured by commercial real estate	49,267,715	-	49,267,715	-	49,267,715	100%
Non-performing assets (NPAs)	36,487,624	-	36,487,624	-	43,446,428	119%
Higher-risk categories	561,433	-	561,433	-	1,403,582	250%
Cash items and other assets	17,956,768	87,037,661	17,956,768	-	7,874,679	44%
Total	605,912,184	200,703,435	564,008,087	23,157,462	340,356,831	

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.

Disclosure 9

Market Risk under Standardised Measurement Method

Item	RWA Amount Bank (LKR'000) 31st March 2024	RWA Amount Group (LKR'000) 31st March 2024
(a) Capital charge for Interest Rate Risk	1,912,863	1,912,863
General Interest Rate Risk	1,912,863	1,912,863
(i) Net long or short position	1,912,863	1,912,863
(ii) Horizontal disallowance	-	-
(iii) Vertical disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
(b) Capital charge for Equity	220,270	220,270
(i) General equity risk	118,980	118,980
(ii) Specific equity risk	101,290	101,290
(c) Capital charge for Foreign Exchange & Gold	463,702	463,702
(d) Capital charge for market risk [(a) + (b) + (C)]	2,596,835	2,596,835
Total risk - weighted amount for Market Risk [(d) * 100 / CAR]	20,774,680	20,774,680

Disclosure 10

Operational Risk under Basic Indicator Approach - BANK

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31st March		
			2024	2023	2022
The Basic Indicator Approach	15%		35,270,461	36,016,799	18,442,198
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			4,486,473		
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach			35,891,783		
The Standardised Approach					
The Alternative Standardised Approach					

Operational Risk under Basic Indicator Approach - GROUP

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31st March		
			2024	2023	2022
The Basic Indicator Approach	15%		35,933,086	36,602,252	18,883,822
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		4,570,958			
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach		36,567,664			
The Standardised Approach					
The Alternative Standardised Approach					