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

(Un Audited)

30th June 2025

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

Disclosure 1

Key Regulatory Ratios - Capital and Liquidity

	30.06.2025		31.12.2024	
	Bank	**Group**	**Bank**	**Group**
Regulatory Capital (LKR '000)				
Common Equity Tier 1	61,877,635	62,119,176	52,485,838	57,804,406
Tier 1 Capital	61,877,635	62,119,176	52,485,838	57,804,406
Total Capital	74,396,662	74,648,316	66,693,851	72,021,286
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement- 7.00%)	12.48	12.49	12.40	13.61
Tier 1 Capital Ratio (Minimum Requirement- 8.50%)	12.48	12.49	12.40	13.61
Total Capital Ratio (Minimum Requirement - 12.50%)	15.00	15.01	15.76	16.96
Leverage ratio (Minimum requirement – 3%)	7.67	7.71	7.33	8.03
Regulatory Liquidity				
Liquidity coverage ratio – Rupee (Minimum requirement : 100%	247.98	N/A	310.01	N/A
Liquidity coverage ratio – All currency (Minimum requirement : 100%	187.47	N/A	280.26	N/A
Net stable funding ratio (Minimum requirement : 100%	112.81	N/A	124.60	N/A

Disclosure 2

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)			
	30.06.2025		31.12.2024	
	Bank	Group	Bank	Group
Common Equity Tier 1 (CET1) Capital after Adjustments	**61,877,635**	**62,119,176**	**52,485,838**	**57,804,406**
Common Equity Tier 1 (CET1) Capital	**80,309,080**	**82,174,538**	**71,009,611**	**77,842,985**
Equity Capital (Stated Capital)/Assigned Capital	15,445,973	15,445,973	14,710,454	14,710,454
Reserve Fund	3,657,968	3,657,968	3,657,968	3,657,968
Published Retained Earnings/(Accumulated Retained Losses)	33,238,782	40,072,156	35,834,730	42,668,104
Published Accumulated Other Comprehensive Income (OCI)	3,026,620	3,026,620	3,026,620	3,026,620
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	11,159,898	6,191,982	-	-
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
Total Adjustments to CET1 Capital	**18,431,445**	**20,055,362**	**18,523,773**	**20,038,579**
Goodwill (net)	-	156,226	-	156,226
Intangible Assets (net)	2,272,988	2,292,906	2,001,636	2,013,975
Investment in capital of banks and financial institutions	10,360,007	11,788,261	11,180,665	12,507,386
Others	5,798,450	5,817,969	5,341,472	5,360,992
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	**12,519,027**	**12,529,140**	**14,208,013**	**14,216,880**
Tier 2 Capital	**12,578,333**	**12,587,504**	**14,208,013**	**14,216,880**
Qualifying Tier 2 Capital Instruments	7,397,554	7,397,554	9,803,906	9,803,906
Revaluation Gains	-	-	-	-
Loan Loss Provisions	5,180,779	5,189,950	4,404,107	4,412,974
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
Total Adjustments to Tier 2	**59,306**	**58,364**	**-**	**-**
Investment in Own Shares	-	-	-	-
Others (specify)	59,306	58,364	-	-
CET1 Capital	**61,877,635**	**62,119,176**	**52,485,838**	**57,804,406**
Total Tier 1 Capital	**61,877,635**	**62,119,176**	**52,485,838**	**57,804,406**
Total Capital	**74,396,662**	**74,648,316**	**66,693,851**	**72,021,286**

	Amount (LKR '000)			
	30.06.2025		31.12.2024	
	Bank	Group	Bank	Group
Total Risk Weighted Assets (RWA)				
RWAs for Credit Risk	414,462,285	415,196,023	352,328,550	353,037,904
RWAs for Market Risk	34,602,328	34,602,328	27,403,720	27,403,720
RWAs for Operational Risk	46,775,071	47,570,009	43,468,784	44,241,426
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	**12.48**	**12.49**	**12.40**	**13.61**
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 (%)	**12.48**	**12.49**	**12.40**	**13.61**
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	**15.00**	**15.01**	**15.76**	**16.96**
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)	
	30.06.2025 BANK	30.06.2025 GROUP	31.12.2024 BANK	31.12.2024 GROUP
Tier 1 Capital	**61,877,635**	**62,119,177**	**52,485,838**	**57,804,406**
Total Exposures	**806,318,634**	**805,650,119**	**715,921,306**	**720,097,361**
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	757,248,982	756,580,467	672,489,151	676,665,206
Derivative Exposures	15,926,204	15,926,204	16,753,173	16,753,173
Securities Financing Transaction Exposures	2,712,493	2,712,493	2,851,459	2,851,459
Other Off-Balance Sheet Exposures	30,430,955	30,430,955	23,827,523	23,827,523
Basel III leverage ratio (Minimum requirement 3%) (%)	**7.67**	**7.71**	**7.33**	**8.03**

Basel III Computation of Liquidity Coverage Ratio - LKR Only				

Item	Amount (LKR'000)			
	30.06.2025		31.12.2024	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	**160,316,964**	**158,905,666**	**190,127,663**	**189,104,922**
Total Adjusted Level 1A Assets	157,494,368	157,494,368	188,082,181	188,082,181
Level 1 Assets	157,494,368	157,494,368	188,082,181	188,082,181
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	2,045,482	1,022,741
Level 2B Assets	2,822,596	1,411,298	2,045,482	1,022,741
Total cash outflows	**578,973,097**	**112,612,919**	**485,610,838**	**94,439,394**
Deposits	299,551,020	27,423,387	285,736,836	24,827,049
Unsecured wholesale funding	106,485,295	57,707,373	70,754,099	37,379,639
Secured funding transactions	31,633,450	-	25,427,973	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	122,174,019	8,352,846	77,536,349	6,077,125
Additional requirements	19,129,313	19,129,313	26,155,581	26,155,581
Total cash inflows	**59,395,353**	**48,532,194**	**49,098,640**	**33,438,991**
Maturing secured lending transactions backed by collateral	38,858,717	32,802,471	23,232,211	16,056,481
Committed facilities	-	-	-	-
Other inflows by counterparty which are maturing within 30 Days	8,290,675	4,929,470	17,660,717	10,399,925
Operational deposits	-	-	-	-
Other cash inflows	12,245,961	10,800,254	8,205,712	6,982,585
Liquidity coverage Ratio (%) (Stock of high quality liquid assets/ total net cash outflows over the next 30 calendar days) *100 (Minimum requirement - 100%)		**247.98**		**310.01**

Disclosure 4

Basel III Computation of Liquidity Coverage Ratio - All Currencies

Item	Amount (LKR'000)			
	30.06.2025		31.12.2024	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	**162,008,707**	**160,597,409**	**190,863,719**	**189,840,978**
Total Adjusted Level 1A Assets	159,186,111	159,186,111	188,818,237	188,818,237
Level 1 Assets	159,186,111	159,186,111	188,818,237	188,818,237
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	2,822,596	1,411,298	2,045,482	1,022,741
Level 2B Assets	2,822,596	1,411,298	2,045,482	1,022,741
Total Cash Outflows	**741,950,979**	**138,508,868**	**605,544,252**	**107,121,287**
Deposits	344,504,841	31,918,769	327,258,102	28,901,213
Unsecured Wholesale Funding	183,717,118	92,256,548	134,877,080	64,457,610
Secured Funding Transactions	31,633,450	-	25,427,972	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	179,543,477	11,781,459	112,674,385	8,455,751
Additional Requirements	2,552,093	2,552,093	5,306,713	5,306,713
Total Cash Inflows	**62,615,459**	**52,843,469**	**59,200,684**	**39,384,729**
Maturing secured lending transactions backed by collateral	36,744,306	35,388,060	25,763,891	18,588,160
Committed facilities	-	-	-	-
Other inflows by counterparty which are maturing within 30 Days	19,200,124	15,816,111	28,461,057	19,479,105
Operational deposits	3,586,023	-	2,435,145	-
Other cash inflows	3,085,006	1,639,299	2,540,591	1,317,464
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) *100 (Minimum requirement - 100%)		**187.47**		**280.26**

Disclosure 5

Net Stable Funding Ratio (NSFR)

	BANK	
	30.06.2025	31.12.2024
	(LKR'000)	(LKR'000)
Total available stable funding (ASF)	**530,246,510**	**488,990,770**
Total required stable funding (RSF)	**470,019,372**	**392,446,771**
Required stable funding – On-balance sheet assets	462,246,890	386,813,051
Required stable funding – Off-balance sheet items	7,772,482	5,633,720
NSFR (Minimum requirement – 100%)	**112.81**	**124.60**

Disclosure 6

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument (Bank Only)	Stated Capital	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**
Unique Identifier (e.g., ISIN or Bloomberg Identifier for Private Placement)	LK0055N00000	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	23 October 2020	23 October 2020	16 January 2024	16 January 2024
Par Value of Instrument (LKR)		100	100	100	100
Perpetual or Dated	Perpetual	Dated	Dated	Dated	Dated
Original Maturity Date, if Applicable	N/A	23 October 2025	23 October 2027	16 January 2029	16 January 2031
Amount Recognised in Regulatory Capital (in LKR '000 as at 30th June 2025)	15,445,973	863,600	123,000	6,356,184	54,770
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	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
Convertible or Non-Convertible	Non-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
If Convertible, Fully or Partially	N/A	Fully	Fully	Fully	Fully
If Convertible, Mandatory or Optional	N/A	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.

Disclosure 7

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

Asset Class	Amount (LKR'000) as at 30th June 2025 (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	238,539,382	48,392,913	238,539,382	2,918,582	1,031,462	0%
Claims on foreign sovereigns and their Central Banks	1,514,000	-	1,514,000	-	302,800	20%
Claims on public sector entities	9,010,960	-	-	-	-	0%
Claims on official entities and multilateral development banks	-	-	-	-	-	0%
Claims on banks exposures	17,273,343	46,033,117	17,273,343	929,520	9,809,811	54%
Claims on financial institutions	12,817,403	-	12,817,403	-	8,253,625	64%
Claims on corporates	234,466,863	55,663,840	187,831,026	22,289,072	201,494,909	96%
Retail claims	147,926,016	16,449,100	147,926,016	8,140,640	109,167,177	70%
Claims secured by residential property	15,600,133	-	15,600,133	-	5,460,047	35%
Claims secured by commercial real estate	32,270,577	-	32,270,577	-	32,270,577	100%
Non-performing assets (NPAs)	31,216,835	-	31,216,835	-	34,789,649	111%
Higher-risk categories	712,442	-	712,442	-	1,781,105	250%
Cash items and other assets	22,177,216	109,048,382	22,177,216	-	10,101,123	46%
Total	**763,525,170**	**275,587,352**	**707,878,373**	**34,277,814**	**414,462,285**	

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 30th June 2025 (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	238,596,443	48,392,913	238,596,443	2,918,582	1,031,462	0%
Claims on foreign sovereigns and their Central Banks	1,514,000	-	1,514,000	-	302,800	20%
Claims on public sector entities	9,010,960	-	-	-	-	0%
Claims on official entities and multilateral development banks	-	-	-	-	-	0%
Claims on banks exposures	17,273,343	46,033,117	17,273,343	929,520	9,809,811	54%
Claims on financial institutions	12,834,101	-	12,834,101	-	8,261,974	64%
Claims on corporates	234,229,828	55,663,840	187,593,990	22,289,072	201,257,874	96%
Retail claims	147,926,016	16,449,100	147,926,016	8,140,640	109,167,177	70%
Claims secured by residential property	15,600,133	-	15,600,133	-	5,460,047	35%
Claims secured by commercial real estate	32,270,577	-	32,270,577	-	32,270,577	100%
Non-performing assets (NPAs)	31,216,835	-	31,216,835	-	34,789,649	111%
Higher-risk categories	729,298	-	729,298	-	1,823,244	250%
Cash items and other assets	23,110,922	109,048,382	23,110,922	-	11,021,408	48%
Total	**764,312,456**	**275,587,352**	**708,665,658**	**34,277,814**	**415,196,023**	

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) 30th June 2025	RWA Amount Group (LKR'000) 30th June 2025
(a) Capital charge for Interest Rate Risk	**3,444,504**	**3,444,504**
General Interest Rate Risk	3,444,504	3,444,504
(i) Net long or short position	3,444,504	3,444,504
(ii) Horizontal disallowance	-	-
(iii) Vertical disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
(b) Capital charge for Equity	**585,716**	**585,716**
(i) General equity risk	318,290	318,290
(ii) Specific equity risk	267,426	267,426
(c) Capital charge for Foreign Exchange & Gold	**295,071**	**295,071**
(d) Capital charge for market risk [(a) + (b) + (C)]	**4,325,291**	**4,325,291**
Total risk - weighted amount for Market Risk [(d)*100 / CAR]	**34,602,328**	**34,602,328**

Disclosure 10

Operational Risk under Basic Indicator Approach - BANK

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30th June		
			2025	2024	2023
The Basic Indicator Approach	15%		43,452,580	35,734,062	37,751,036
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	**5,846,884**				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	46,775,071				
The Standardised Approach					
The Alternative Standardised Approach					

Disclosure 11

Operational Risk under Basic Indicator Approach - GROUP

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30th June		
			2025	2024	2023
The Basic Indicator Approach	15%		44,120,266	36,446,828	38,357,928
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	**5,946,251**				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	47,570,009				
The Standardised Approach					
The Alternative Standardised Approach					