

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

Basel III Computation of Liquidity Coverage Ratio – All Currencies

Item	Amount (LKR '000)			
	31 December 2019		31 December 2018	
	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value
Total Stock of High-Quality Liquid Assets (HQLA)	69,787,641	69,287,520	59,051,156	58,436,168
Total Adjusted Level 1A Assets	68,787,399	68,787,399	57,763,228	57,763,228
Level 1 Assets	68,787,399	68,787,399	57,763,228	57,763,228
Total Adjusted Level 2A Assets	–	–	82,790	70,372
Level 2A Assets	–	–	82,790	70,372
Total Adjusted Level 2B Assets	1,000,242	500,121	1,205,138	602,569
Level 2B Assets	1,000,242	500,121	1,205,138	602,569
Total cash outflows	371,758,700	70,252,115	348,143,975	75,603,272
Deposits	147,120,309	12,580,009	125,793,063	10,717,223
Unsecured wholesale funding	103,187,321	49,175,375	119,467,310	54,249,315
Secured funding transactions	9,512,615	–	5,874,993	–
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	109,145,071	5,703,347	93,785,071	7,413,196
Additional requirements	2,793,384	2,793,384	3,223,539	3,223,539
Total cash inflows	32,247,053	20,948,383	35,061,571	24,115,047
Maturing secured lending transactions backed by collateral	11,019,081	10,864,930	11,407,416	11,335,760
Committed facilities	1,000,000	–	1,000,000	–
Other inflows by counterparty which are maturing within 30 days	17,265,465	8,722,163	18,087,434	9,368,362
Operational deposits	871,364	–	1,152,256	–
Other cash inflows	2,091,143	1,361,290	3,414,465	3,410,925
Liquidity Coverage Ratio (%) (Stock of High-Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)* 100		140.53		113.49

Basel III Computation of Liquidity Coverage Ratio – LKR Only

Item	Amount (LKR '000)			
	31 December 2019		31 December 2018	
	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value
Total Stock of High-Quality Liquid Assets (HQLA)	67,502,165	67,002,044	58,114,699	57,499,712
Total Adjusted Level 1A Assets	66,501,923	66,501,923	56,826,771	56,826,771
Level 1 Assets	66,501,923	66,501,923	56,826,771	56,826,771
Total Adjusted Level 2A Assets	–	–	82,790	70,372
Level 2A Assets	–	–	82,790	70,372
Total Adjusted Level 2B Assets	1,000,242	500,121	1,205,138	602,569
Level 2B Assets	1,000,242	500,121	1,205,138	602,569
Total cash outflows	290,363,031	47,293,395	252,398,912	45,858,939
Deposits	140,992,846	11,999,556	119,663,789	10,151,659
Unsecured wholesale funding	60,638,199	30,809,652	60,195,036	27,801,226
Secured funding transactions	9,512,615	–	5,874,993	–
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	76,944,718	2,209,534	63,555,764	4,796,723
Additional requirements	2,274,653	2,274,653	3,109,330	3,109,330
Total cash inflows	27,887,066	18,686,633	24,177,696	16,478,234
Maturing secured lending transactions backed by collateral	10,615,642	10,461,491	9,305,602	9,233,947
Committed facilities	1,000,000	–	1,000,000	–
Other inflows by counterparty which are maturing within 30 days	14,811,718	7,495,289	13,865,013	7,240,746
Operational deposits	–	–	–	–
Other cash inflows	1,459,706	729,853	7,081	3,541
Liquidity Coverage Ratio (%) (Stock of High-Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)* 100		234.22		195.71

Maturity of Financial Assets and Financial Liabilities

As at 31 December 2019	Up to 1 Month LKR '000	1-3 Months LKR '000	3-6 Months LKR '000	6-12 Months LKR '000	1-3 Years LKR '000	3-5 Years LKR '000	Over 5 Years LKR '000	Total* LKR '000
Financial assets								
Cash and cash equivalents	5,450,209	-	-	-	-	-	-	5,450,209
Balances with Central Bank of Sri Lanka	8,666,547	-	-	-	-	-	-	8,666,547
Placement with banks	165,030	-	-	-	-	-	-	165,030
Derivative financial assets	631,438	-	-	-	-	-	-	631,438
Financial assets measured at fair value through profit or loss	-	251,593	-	-	-	-	5,055,473	5,307,066
Financial assets at amortised cost – Loans to and receivables from banks	-	3,307,832	15,304	-	4,898,610	181,430	-	8,403,175
Financial assets at amortised cost – Loans to and receivables from other customers	23,554,701	16,679,328	17,720,749	20,296,530	52,744,363	54,181,538	87,641,101	272,818,311
Financial assets at amortised cost – Debt and other instruments	-	1,658,361	848,502	1,766,206	13,740,868	3,729,920	-	21,743,857
Financial assets measured at fair value through other comprehensive income	-	9,450,109	1,918,348	1,269,053	30,008,205	15,649,171	14,421,521	72,716,407
Other assets	1,254,323	171,102	173,457	104,608	130,296	21,491	293,290	2,148,567
Total financial assets	39,722,248	31,518,325	20,676,360	23,436,397	101,522,342	73,763,550	107,411,385	398,050,607

As at 31 December 2019	Up to 1 Month LKR '000	1-3 Months LKR '000	3-6 Months LKR '000	6-12 Months LKR '000	1-3 Years LKR '000	3-5 Years LKR '000	Over 5 Years LKR '000	Total* LKR '000
Financial liabilities								
Due to banks	6,963,019	2,501,847	2,671,686	3,119,642	9,338,634	-	-	24,594,828
Derivative financial liabilities	518,731	-	-	-	-	-	-	518,731
Financial liabilities at amortised cost – Due to depositors	27,094,032	59,109,644	50,554,195	35,140,828	17,085,344	12,864,437	45,938,494	247,786,974
Financial liabilities at amortised cost – Due to other borrowers	1,231,073	7,876,894	1,473,106	7,676,607	14,000,751	6,154,080	8,895,045	47,307,556
Debt securities in issue	-	1,028,348	3,147,549	-	-	3,783,024	6,189,277	14,148,198
Other liabilities	1,158,317	1,242,411	539,089	259,657	36,775	118,536	431,660	3,786,445
Subordinated term debt	-	657,460	2,105,589	122,228	940,482	8,948,215	4,085,940	16,859,914
Total financial liabilities	36,965,172	72,416,604	60,491,214	46,318,962	41,401,981	31,868,292	65,540,416	355,002,646
Total net financial assets/(liabilities)	2,757,076	(40,898,279)	(39,814,854)	(22,882,565)	60,120,355	41,895,258	41,870,969	43,041,961
Contingencies								
Guarantees	16,242,180	-	-	-	-	-	-	16,242,180
Acceptance	-	5,731,026	756,207	4,869	-	-	-	6,492,102
Forward contracts	-	-	8,920,969	5,949,976	1,389,763	-	-	16,260,708
Cross CCY SWAP	-	-	-	-	828,867	-	-	828,867
Documentary credit	-	4,009,527	1,878,510	557,776	20,428	-	-	6,466,241
Bills for collection	3,131,185	-	-	-	-	-	-	3,131,185
Total contingencies	19,373,365	9,740,553	11,555,686	6,512,621	2,239,058	-	-	49,421,283
Commitments								
Undrawn overdrafts	16,649,526	-	-	-	-	-	-	16,649,526
Undrawn loans	28,971,431	-	-	-	-	-	-	28,971,431
Undrawn credit card limits	3,626,159	-	-	-	-	-	-	3,626,159
Undrawn indirect credit facilities	28,989,551	-	-	-	-	-	-	28,989,551
Capital commitments	-	-	504,000	68,837	1,651,732	-	-	2,224,569
Undrawn leases	707,881	-	-	-	-	-	-	707,881
Total commitments	78,944,548	-	504,000	68,837	1,651,732	-	-	81,169,117
Total commitments and contingencies	98,317,913	9,740,553	12,059,686	6,581,458	3,890,790	-	-	130,590,400

As at 31 December 2018	Up to 1 Month LKR '000	1-3 Months LKR '000	3-6 Months LKR '000	6-12 Months LKR '000	1-3 Years LKR '000	3-5 Years LKR '000	Over 5 Years LKR '000	Total* LKR '000
Financial assets								
Cash and cash equivalents	5,039,629	–	–	–	–	–	–	5,039,629
Balances with Central Bank of Sri Lanka	11,841,814	–	–	–	–	–	–	11,841,814
Placement with banks	425,087	–	–	–	–	–	–	425,087
Derivative financial assets	3,414,549	–	–	–	–	–	–	3,414,549
Financial assets measured at fair value through profit or loss	–	–	–	–	–	–	6,078,862	6,078,862
Financial assets at amortised cost – Loans to and receivables from banks	29,796	4,392,570	15,434	–	4,391,520	4,025,560	–	12,854,880
Financial assets at amortised cost – Loans to and receivables from other customers	21,887,477	24,606,025	17,403,911	16,276,400	40,236,546	55,809,633	73,513,726	249,733,718
Financial assets at amortised cost – Debt and other instruments	1,144,917	287,028	180,123	2,454,870	15,051,018	3,756,132	–	22,874,088
Financial assets measured at fair value through other comprehensive income	7,563,696	748,264	9,735,552	12,237,686	7,737,500	5,443,116	11,847,739	55,313,553
Other assets	1,681,562	71,739	70,656	96,772	27,308	27,308	334,236	2,309,581
Total financial assets	53,028,527	30,105,626	27,405,676	31,065,728	67,443,892	69,061,749	91,774,563	369,885,761

As at 31 December 2018	Up to 1 Month LKR '000	1-3 Months LKR '000	3-6 Months LKR '000	6-12 Months LKR '000	1-3 Years LKR '000	3-5 Years LKR '000	Over 5 Years LKR '000	Total* LKR '000
Financial liabilities								
Due to banks	7,285,151	36,365	–	2,124,948	–	–	–	9,446,464
Derivative financial liabilities	121,373	–	–	–	–	–	–	121,373
Financial liabilities at amortised cost –								
Due to depositors	32,869,795	58,974,600	55,856,377	30,665,583	12,141,582	11,971,314	39,758,345	242,237,596
Financial liabilities at amortised cost –								
Due to other borrowers	3,563,518	1,474,741	2,230,085	5,224,477	12,854,025	11,775,945	10,290,935	47,413,727
Debt securities in issue	–	5,751,901	151,757	–	2,994,784	–	–	8,898,441
Other liabilities	1,410,720	343,909	345,532	573,627	38,949	92,921	458,687	3,264,345
Subordinated term debt	–	662,109	103,150	123,988	2,939,798	8,942,732	4,083,575	16,855,352
Total financial liabilities	45,250,557	67,243,625	58,686,901	38,712,623	30,969,138	32,782,912	54,591,542	328,237,298
Total net financial assets/(liabilities)	7,777,970	(37,137,999)	(31,281,225)	(7,646,895)	36,474,754	36,278,837	37,183,021	41,648,463
Contingencies								
Guarantees	16,137,389	–	–	–	–	–	–	16,137,389
Acceptance	1,916,875	2,966,377	1,060,953	215,328	–	–	–	6,159,533
Forward contracts	–	20,805,170	5,421,901	9,920,524	–	–	–	36,147,595
Cross CCY SWAP	–	–	–	113,316	696,084	–	–	809,400
Documentary credit	1,698,660	3,990,706	68,553	603,448	–	–	–	6,361,367
Bills for collection	3,810,321	–	–	–	–	–	–	3,810,321
Total contingencies	23,563,245	27,762,253	6,551,407	10,852,616	696,084	–	–	69,425,605
Commitments								
Undrawn overdrafts	13,552,649	–	–	–	–	–	–	13,552,649
Undrawn loans	31,235,817	–	–	–	–	–	–	31,235,817
Undrawn credit card limits	2,024,246	–	–	–	–	–	–	2,024,246
Undrawn indirect credit facilities	19,648,916	–	–	–	–	–	–	19,648,916
Capital commitments	857,465	–	–	–	–	–	–	857,465
Undrawn leases	398,972	–	–	–	–	–	–	398,972
Total commitments	67,718,065	–	–	–	–	–	–	67,718,065
Total commitments and contingencies	91,281,310	27,762,253	6,551,407	10,852,616	696,084	–	–	137,143,670

Maturity Gap Analysis of Foreign Currency Denominated Financial Assets and Financial Liabilities – USD

As at 31 December 2019	Up to 1 Month USD '000	1-3 Months USD '000	3-6 Months USD '000	6-12 Months USD '000	1-3 Years USD '000	3-5 Years USD '000	Over 5 Years USD '000	Total USD '000
Total assets	21,242	36,912	15,046	6,462	71,177	16,377	89,237	256,453
Total liabilities	48,393	46,250	38,339	45,741	105,540	55,037	40,587	379,887
Total net financial assets/(liabilities)	(27,151)	(9,338)	(23,293)	(39,279)	(34,363)	(38,660)	48,650	(123,434)

As at 31 December 2018	Up to 1 Month USD '000	1-3 Months USD '000	3-6 Months USD '000	6-12 Months USD '000	1-3 Years USD '000	3-5 Years USD '000	Over 5 Years USD '000	Total USD '000
Total assets	35,987	50,559	22,979	809	40,906	37,776	70,543	259,559
Total liabilities	88,141	52,854	42,687	82,719	80,355	69,468	44,972	461,196
Total net financial assets/(liabilities)	(52,154)	(2,295)	(19,708)	(81,910)	(39,449)	(31,692)	25,571	(201,637)

Sensitivity of Financial Assets and Financial Liabilities

As at 31 December 2019	Up to 1 Month LKR '000	1-3 Months LKR '000	3-6 Months LKR '000	6-12 Months LKR '000	1-3 Years LKR '000	3-5 Years LKR '000	Over 5 Years LKR '000	Non-interest bearing LKR '000	Total LKR '000
Financial assets									
Cash and cash equivalents	333,741	-	-	-	-	-	-	5,116,468	5,450,209
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	-	8,666,547	8,666,547
Placements with banks	165,030	-	-	-	-	-	-	-	165,030
Derivative financial assets	-	-	-	-	-	-	-	631,438	631,438
Financial assets measured at fair value through profit or loss	-	-	-	-	-	-	-	5,307,066	5,307,066
Financial assets at amortised cost – Loans to and receivables from banks	27,803	3,280,028	15,304	-	4,898,610	181,430	-	-	8,403,175
Financial assets at amortised cost – Loans to and receivables from other customers	151,965,068	7,780,400	12,106,527	14,419,459	30,880,893	21,916,367	25,948,101	7,801,496	272,818,311
Financial assets at amortised cost – Debt and other Instruments	30,628	1,710,556	1,098,091	1,909,319	13,740,868	3,254,395	-	-	21,743,857
Financial assets measured at fair value through other comprehensive income	279,826	4,508,803	2,243,779	943,622	30,000,100	15,649,171	10,077,548	9,013,558	72,716,407
Other assets	-	-	-	-	-	-	-	2,148,567	2,148,567
Total financial assets	152,802,096	17,279,787	15,463,701	17,272,400	79,520,471	41,001,363	36,025,649	38,685,140	398,050,607

As at 31 December 2019	Up to 1 Month LKR '000	1-3 Months LKR '000	3-6 Months LKR '000	6-12 Months LKR '000	1-3 Years LKR '000	3-5 Years LKR '000	Over 5 Years LKR '000	Non-interest bearing LKR '000	Total LKR '000
Financial liabilities									
Due to banks	6,502,929	8,129,761	2,148,769	2,566,164	5,000,000	-	-	247,205	24,594,828
Derivative financial liabilities	-	-	-	-	-	-	-	518,731	518,731
Financial liabilities at amortised cost – Due to depositors	75,196,582	54,615,104	49,236,046	55,107,361	7,224,188	886,927	66,757	5,454,009	247,786,974
Financial liabilities at amortised cost – Due to other borrowers	9,178,922	8,835,038	10,163,228	3,435,505	4,458,154	2,149,461	8,903,657	183,591	47,307,556
Debt Securities in issue	-	-	3,000,000	-	-	3,804,760	6,195,240	1,148,198	14,148,198
Other liabilities	-	-	-	-	-	-	-	3,786,445	3,786,445
Subordinated term debt	-	-	2,000,000	-	956,860	8,956,610	4,086,530	859,914	16,859,914
Total financial liabilities	90,878,433	71,579,903	66,548,043	61,109,030	17,639,202	15,797,758	19,252,184	12,198,093	355,002,646
Interest rate sensitivity gap	61,923,663	(54,300,116)	(51,084,342)	(43,836,630)	61,881,269	25,203,605	16,773,465	26,487,047	

As at 31 December 2018	Up to 1 Month LKR '000	1-3 Months LKR '000	3-6 Months LKR '000	6-12 Months LKR '000	1-3 Years LKR '000	3-5 Years LKR '000	Over 5 Years LKR '000	Non-interest bearing LKR '000	Total LKR '000
Financial assets									
Cash and cash equivalents	304,618	-	-	-	-	-	-	4,735,011	5,039,629
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	-	11,841,814	11,841,814
Placements with banks	425,087	-	-	-	-	-	-	-	425,087
Derivative financial assets	-	-	-	-	-	-	-	3,414,549	3,414,549
Financial assets measured at fair value through profit or loss	-	-	-	-	-	-	-	6,078,862	6,078,862
Financial assets at amortised cost – Loans to and receivables from banks	29,796	4,437,577	15,434		4,391,520	3,980,553	-	-	12,854,880
Financial assets at amortised cost – Loans to and receivables from others	141,488,372	7,882,526	12,494,899	14,181,994	24,669,960	19,371,704	26,605,155	3,039,108	249,733,718
Financial assets at amortised cost – Debt and other Instruments	1,152,235	287,028	180,123	2,454,870	15,051,018	3,748,814	-	-	22,874,088
Financial assets measured at fair value through other comprehensive income	1,319,910	748,264	9,735,552	12,237,686	7,737,500	5,443,117	7,588,444	10,503,080	55,313,553
Other assets								2,309,581	2,309,581
Total financial assets	144,720,018	13,355,395	22,426,008	28,874,550	51,849,998	32,544,188	34,193,599	41,922,005	369,885,761

As at 31 December 2018	Up to 1 Month LKR '000	1-3 Months LKR '000	3-6 Months LKR '000	6-12 Months LKR '000	1-3 Years LKR '000	3-5 Years LKR '000	Over 5 Years LKR '000	Non-interest bearing LKR '000	Total LKR '000
Financial liabilities									
Due to banks	7,285,625	36,365		2,124,474					9,446,464
Derivative financial liabilities	–	–	–	–	–	–	–	121,373	121,373
Financial liabilities at amortised cost –									
Due to depositors	82,067,918	52,592,276	49,824,583	22,962,960	26,304,650	1,701,676	74,628	6,708,905	242,237,596
Financial liabilities at amortised cost –									
Due to other borrowers	3,567,792	1,474,741	2,230,085	5,224,477	12,854,025	11,775,945	10,286,662	–	47,413,727
Debt securities in issue	–	5,758,994	151,757	–	2,987,690	–	–	–	8,898,441
Other liabilities	–	–	–	–	–	–	–	3,264,345	3,264,345
Subordinated term debt	–	681,781	103,150	123,988	2,939,798	8,942,732	4,063,903	–	16,855,352
Total Financial Liabilities	92,921,335	60,544,157	52,309,575	30,435,899	45,086,163	22,420,353	14,425,193	10,094,623	328,237,298
Interest Rate Sensitivity Gap	51,798,683	(47,188,762)	(29,883,567)	(1,561,349)	6,763,835	10,123,835	19,768,406	31,827,382	

Key regulatory ratios

Item	31 December 2019		31 December 2018	
	Bank	Group	Bank	Group
Regulatory capital (LKR '000)				
Common equity Tier 1	34,824,554	34,908,304	31,633,211	32,106,706
Tier 1 capital	34,824,554	34,908,304	31,633,211	32,106,706
Total capital	48,542,925	48,626,675	47,203,364	47,676,859
Regulatory capital ratios (%)				
Common equity Tier 1 capital ratio [Minimum requirement: 2019 – 7% (2018 – 6.375%)]	11.342	11.327	10.766	10.888
Tier 1 capital ratio [Minimum requirement: 2019 – 8.5% (2018 – 7.875%)]	11.342	11.327	10.766	10.888
Total capital ratio [Minimum requirement: 2019 – 12.5% (2018 – 11.875%)]	15.810	15.778	16.065	16.168
Computation of leverage ratio				
Tier 1 Capital	34,824,554	34,908,304	N/A	N/A
Total Exposures	460,516,043	459,563,903	N/A	N/A
On-Balance Sheet Items (excluding Derivatives and securities financing transactions, but including Collateral)	395,302,362	394,350,222	N/A	N/A
Derivative Exposures	34,403,158	34,403,158	N/A	N/A
Securities Financing Transaction Exposures	2,419,209	2,419,209	N/A	N/A
Other off-Balance Sheet Exposures	28,391,314	28,391,314	N/A	N/A
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	7.56	7.60		
Computation of Net stable funding ratio				
Total Available Stable Funding	290,698,778	N/A	N/A	N/A
Required Stable Funding – On Balance Sheet Assets	254,049,220	N/A	N/A	N/A
Required Stable Funding – Off Balance Sheet Items	2,271,779	N/A	N/A	N/A
Total Required Stable Funding	256,320,999	N/A	N/A	N/A
Net Stable Funding Ratio (%)	113.41	N/A	N/A	N/A

Basel III computation of capital ratios

Item	31 December 2019		31 December 2018	
	Bank LKR '000	Group LKR '000	Bank LKR '000	Group LKR '000
Common equity Tier 1 (CET 1) capital after adjustments	38,824,554	34,908,304	31,633,211	32,106,706
Common equity Tier 1 (CET 1) capital	42,000,264	45,050,466	38,041,191	40,961,078
Equity capital (stated capital)/assigned capital	7,530,371	7,530,371	4,715,814	4,715,814
Reserve fund	2,461,968	2,461,968	2,358,275	2,358,275
Published retained earnings/(accumulated retained losses)	18,228,086	21,278,288	17,187,263	20,107,150
Published accumulated Other Comprehensive Income (OCI)	-	-	-	-
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 CET 1 capital	7,175,710	10,142,162	6,407,980	8,854,372
Goodwill (net)	-	156,226	-	156,226
Intangible assets (net)	1,184,659	1,205,923	668,834	686,288
Investment in capital of banks and financial institutions	5,762,829	8,648,828	5,595,930	7,867,360
Others	228,221	131,185	143,216	144,498
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	13,718,371	13,718,371	15,570,153	15,570,153
Tier 2 capital	13,718,371	13,718,371	15,570,153	15,570,153
Qualifying Tier 2 capital instruments	12,034,562	12,034,562	14,417,256	14,417,256
Revaluation gains	-	-	-	-
Loan loss provisions	1,683,809	1,683,809	1,152,897	1,152,897
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)	-	-	-	-
CET 1 capital	34,824,554	34,908,304	31,633,211	32,106,706
Total Tier 1 capital	34,824,554	34,908,304	31,633,211	32,106,706
Total capital	48,542,925	48,626,675	47,203,364	47,676,859

Item	31 December 2019		31 December 2018	
	Bank	Group	Bank	Group
Total risk weighted assets (RWA) (LKR '000)				
RWAs for credit risk	274,009,885	274,759,093	262,979,953	263,746,741
RWAs for market risk	16,956,352	16,956,352	14,903,582	14,903,582
RWAs for operational risk	16,074,112	16,479,374	15,940,116	16,228,641
CET 1 capital ratio (including capital conservation buffer, countercyclical capital buffer and surcharge on d-sibs) (%)	11.34	11.33	10.77	10.89
of which: capital conservation buffer (%)	1.25	1.25	1.88	1.88
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 (%)	11.34	11.33	10.77	10.89
Total capital ratio (including capital conservation buffer, countercyclical capital buffer and surcharge on d-sibs) (%)	15.81	15.78	16.07	16.17
of which: capital conservation buffer (%)	1.25	1.25	1.88	1.88
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

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

Asset Class	As at 31 December 2019 – Bank					
	Exposures before credit conversion factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA density (%)	
	On-balance sheet amount LKR '000	Off-balance sheet amount LKR '000	On-balance sheet amount LKR '000	Off-balance sheet amount LKR '000	RWA LKR '000	RWA density (ii) %
Claims on Central Government and CBSL	95,929,195	–	95,929,195	–	2,451,076	3
Claims on foreign sovereigns and their Central Banks	–	–	–	–	–	–
Claims on public sector entities	11,251,137	1,232,228	164,220	616,114	780,334	100
Claims on official entities and multilateral development banks	–	–	–	–	–	–
Claims on banks exposures	1,964,738	53,895,005	1,964,738	1,078,292	1,161,338	38
Claims on financial institutions	12,180,348	–	12,180,348	–	5,986,893	49
Claims on corporates	110,460,172	48,117,089	94,533,375	23,376,614	114,661,894	97
Retail claims	36,934,640	–	36,934,640	–	28,115,553	76
Claims secured by residential property	10,515,337	–	10,515,337	–	7,732,718	74
Claims secured by commercial real estate	82,897,974	1,943,181	82,897,974	1,943,181	84,841,155	100
Non-performing assets (NPAs) (i)	6,438,940	–	6,438,940	–	6,990,662	109
Higher-risk categories	405,118	–	405,118	–	1,012,795	250
Cash Items and other assets	21,786,588	75,462,121	21,786,588	3,064,976	20,275,467	82
Total	390,764,187	180,649,624	363,750,473	30,079,177	274,009,885	

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	As at 31 December 2019 – Group					
	Exposures before credit conversion factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA density (%)	
	On-balance sheet amount LKR '000	Off-balance sheet amount LKR '000	On-balance sheet amount LKR '000	Off-balance sheet amount LKR '000	RWA LKR '000	RWA density (ii) %
Claims on Central Government and CBSL	95,929,195	–	95,929,195	–	2,451,076	3
Claims on foreign sovereigns and their Central Banks	–	–	–	–	–	–
Claims on public sector entities	11,251,137	1,232,228	164,220	616,114	780,334	100%
Claims on official entities and multilateral development banks	–	–	–	–	–	–
Claims on banks exposures	2,029,846	53,895,005	2,029,846	1,078,292	1,183,269	38%
Claims on financial institutions	12,180,348	–	12,180,348	–	5,986,893	49%
Claims on corporates	110,460,172	48,117,089	94,533,375	23,376,614	114,661,894	97%
Retail claims	36,934,640	–	36,934,640	–	28,115,553	76%
Claims secured by residential property	10,515,337	–	10,515,337	–	7,732,718	74%
Claims secured by commercial real estate	82,897,974	1,943,181	82,897,974	1,943,181	84,841,155	100%
Non-performing assets (NPAs) (i)	6,438,940	–	6,438,940	–	6,990,662	109%
Higher-risk categories	435,113	–	435,113	–	1,087,781	250%
Cash items and other assets	22,448,029	75,462,121	22,448,029	3,064,976	20,927,758	82%
Total	391,520,731	180,649,624	364,507,017	30,079,177	274,759,093	

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: Exposures by Asset Classes and Risk Weights

Description	Amount (LKR '000) as at 31 December 2019 (Post CCF and CRM) – Bank Level							Total credit exposures amount
Risk weight asset classes	0%	20%	50%	75%	100%	150%	>150%	
Claims on Central Government and Central Bank of Sri Lanka	83,673,814	12,255,381	–	–	–	–	–	95,929,195
Claims on foreign sovereigns and their Central Banks	–	–	–	–	–	–	–	–
Claims on public sector entities	–	–	–	–	780,334	–	–	780,334
Claims on official entities and multilateral development banks	–	–	–	–	–	–	–	–
Claims on banks exposures	–	1,500,178	1,363,099	–	179,753	–	–	3,043,030
Claims on financial institutions	–	1,670,000	9,714,910	–	795,438	–	–	12,180,348
Claims on corporates	–	2,608,847	2,322,035	–	112,979,107	–	–	117,909,989
Retail claims	578,271	2,784,598	–	24,052,552	9,519,219	–	–	36,934,640
Claims secured by residential property	–	–	5,565,239	–	4,950,098	–	–	10,515,337
Claims secured by commercial real estate	–	–	–	–	84,841,155	–	–	84,841,155
Non-performing assets (NPAs)	–	–	384,615	–	4,566,268	1,488,057	–	6,438,940
Higher-risk categories	–	–	–	–	–	–	405,118	405,118
Cash items and other assets	4,565,304	13,489	–	–	20,272,771	–	–	24,851,564
Total	88,817,389	20,832,493	19,349,898	24,052,552	238,884,143	1,488,057	405,118	393,829,650

Description	Amount (LKR '000) as at 31 December 2019 (Post CCF and CRM) – Group							Total credit exposures amount
	0%	20%	50%	75%	100%	150%	>150%	
Claims on Central Government and Central Bank of Sri Lanka	83,673,814	12,255,381	–	–	–	–	–	95,929,195
Claims on foreign sovereigns and their Central Banks	–	–	–	–	–	–	–	–
Claims on public sector entities	–	–	–	–	780,334	–	–	780,334
Claims on official entities and multilateral development banks	–	–	–	–	–	–	–	–
Claims on banks exposures	–	1,535,589	1,392,796	–	179,753	–	–	3,108,138
Claims on financial institutions	–	1,670,000	9,714,910	–	795,438	–	–	12,180,348
Claims on corporates	–	2,608,847	2,322,035	–	112,979,107	–	–	117,909,989
Retail claims	578,271	2,784,598	–	24,052,552	9,519,219	–	–	36,934,640
Claims secured by residential property	–	–	5,565,239	–	4,950,098	–	–	10,515,337
Claims secured by commercial real estate	–	–	–	–	84,841,155	–	–	84,841,155
Non-performing assets (NPAs)	–	–	384,615	–	4,566,268	1,488,057	–	6,438,940
Higher-risk categories	–	–	–	–	–	–	435,113	435,113
Cash items and other assets	4,574,454	13,489	–	–	20,925,062	–	–	25,513,005
Total	88,826,539	20,867,904	19,379,595	24,052,552	239,536,434	1,488,057	435,113	394,586,194

Market Risk under Standardised Measurement Method

Item	31 December 2019 RWA	
	Bank LKR '000	Group LKR '000
(a) RWA for interest rate risk	2,119,544	2,119,544
General interest rate risk	1,529,487	1,529,487
(i) Net long or short position	1,529,487	1,529,487
(ii) Horizontal disallowance	–	–
(iii) Vertical disallowance	–	–
(iv) Options	–	–
Specific interest rate risk	–	–
(b) RWA for equity	548,617	548,617
(i) General equity risk	326,558	326,558
(ii) Specific equity risk	222,059	222,059
(c) RWA for Foreign exchange and gold	41,440	41,440
Capital charge for market risk [(a)+(b)+(c)]* CAR	16,956,352	16,956,352

Operational risk under basic indicator approach/the standardised approach/the alternative standardised approach – Bank

Business lines	Capital charge factor	Fixed factor	Gross income year ended 31 December		
			1st year LKR '000	2nd year LKR '000	3rd year LKR '000
The basic indicator approach	15		13,738,321	13,299,696	13,147,262
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	2,009,264				
The standardised approach					
The alternative standardised approach					
Risk weighted amount for operational risk (LKR '000)					
The basic indicator approach	16,074,112				
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 year ended 31 December		
			1st year LKR '000	2nd year LKR '000	3rd year LKR '000
	%				
The basic indicator approach	15		14,124,085	13,633,414	13,440,935
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	2,059,922				
The standardised approach					
The alternative standardised approach					
Risk weighted amount for operational risk (LKR '000)					
The basic indicator approach	16,479,374				
The standardised approach					
The alternative standardised approach					

Main Features of Regulatory Capital Instruments

Description of the capital instrument (Bank only)	Stated capital	Subordinated Term-debt (2015)	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	DFCC Bank PLC
Unique identifier (e.g. ISIN or Bloomberg identifier for private placement)	LK0055N00000	C2306	C 2366	C2367	C2393	C2394
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	10 June 2015	9 November 2016	9 November 2016	26 March 2018	26 March 2018
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	10 June 2020	9 November 2021	9 November 2023	29 March 2023	29 March 2025
Amount recognised in regulatory capital (in LKR '000 as at the reporting date)	7,530,371	400,000	382,744	4,834,512	2,330,776	4,086,530
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	9.4	12.15	12.75	12.6	13
Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative